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THE NEW SINOSPHERE

CHINA IN AFRICA

EDITED BY LENI WILD AND DAVID MEPHAM

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List of abbreviations

AGOA	US African Growth and Opportunities Act
APF	African Partners Forum
APRM	African Peer Review Mechanism
APSA	African Peace and Security Agenda
AU	African Union
CACF	China-Africa Co-operation Forum
CCP	Chinese Communist Party
CFR	US Council on Foreign Relations
CNOOC	China National Offshore Oil Corp
CNPC	China National Petroleum Corporation
CSR	Corporate Social Responsibility
DFID	UK Department for International Development
DRC	Democratic Republic of Congo
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EITI	Extractive Industries Transparency Initiative
EU	European Union
FDI	foreign direct investment
G8	Group of Eight
GDP	gross domestic product
ICC	International Criminal Court
IFIs	international financial institutions
IMF	International Monetary Fund
MONUC	United Nations Mission in the Democratic Republic of Congo
NEPAD	New Partnership for Africa's Development
NGO	non-governmental organisation
OAU	Organisation of African Unity
OECD	Organisation for Economic Co-operation and Development
OSCE	Organisation for Security and Co-operation in Europe
PRC	People's Republic of China
RECs	Regional Economic Communities
SIPRI	Stockholm International Peace Research Institute
SSA	Sub-Saharan Africa
UN	United Nations
UNECA	United Nations Economic Commission for Africa
WTO	World Trade Organisation

Definitions

Throughout this report, reference is made to Africa. For ease of reference, this is used as shorthand for Sub-Saharan Africa, and should be assumed to exclude North Africa unless explicitly stated.

Introduction

Leni Wild and David Mepham

Africa was the subject of unprecedented international political attention in 2005 – indeed, UK politicians and journalists dubbed it 'The Year of Africa'. Along with climate change, the UK Government made Africa a priority during its joint presidencies of the G8 and the EU. 2005 was also the year of the Make Poverty History campaign, with its white wristbands and Live8 concerts. Focused on the issues of aid, debt relief and trade, the campaign engaged millions of people worldwide around the demand for greater justice for the world's poor, especially in Africa. But there was one issue – of critical importance to the development prospects of the continent – that was almost entirely missing from these international discussions and campaigns. That issue was China.

China is not a new player in Africa. But its economic and political presence on the continent and its impact on Africa have grown exponentially in the last few years. This has huge consequences for Africa, but it also has significant implications for western policy towards the continent.

China represents opportunities and risks for Africa. Managed well, China could bring real development benefits to Africans. For example, China could be a major new source of investment and development assistance, and contribute to higher levels of trade and growth. There are also important lessons that Africa might learn from China's remarkable development success of recent years. In just over a decade, between 1990 and 2001, the numbers in China living below the internationally agreed US$1-a-day poverty benchmark fell by 165 million. Over the same period, absolute poverty levels in Africa rose by 77 million.

Managed badly, however, China's role in Africa may lead to worsening standards of governance, more corruption and less respect for human rights. As a one-party state, with a poor record on human rights at home, China's foreign policy is not driven by a concern to promote human rights abroad, in Africa or elsewhere. Instead, China prides itself on respecting countries' sovereignty, and refraining from questioning governments' domestic policies. For example, China has opposed tougher action in the UN Security Council against the Khartoum government over Darfur, and it has been a strong supporter of Robert Mugabe's authoritarian regime in Zimbabwe.

In thinking through how Africans and the wider international community should address the new challenges posed by China's role on the continent, a critical starting point is to better understand the diverse impacts of China on Africa.

Like other parts of the world, Africa is being affected indirectly by the phenomenal growth of the Chinese economy. Over the last 25 years, China has averaged an annual growth rate of 9.5 per cent. To fuel this economic expansion, China has sought access to raw materials worldwide, pushing up global commodity prices and leading to higher revenues for commodity exporters, including many African countries. China's growth and its rapid expansion of manufactured exports have reduced the world price of manufactured goods, bringing benefits to many African consumers in the process. But at the same time, the rising global price of commodities, particularly oil, has disadvantaged those African countries that import these commodities.

In the last few years, China has also established a much more significant and visible presence in Africa itself. China is a major investor in Africa, particularly in the natural resource sector and in construction. China's trade with Africa has risen four-fold in the last four years, and China has overtaken the UK to become Africa's third most important trade partner, after the US and France. In December 2005, Chinese Premier Wen Jiabao announced that China's trade with Africa is set to increase to US$100 billion within five years, which would represent a ten-fold increase in less than a decade.

This investment has been accompanied by a deepening of diplomatic and political relationships with various African countries. In the first six months of 2006, three top-ranking Chinese representatives visited Africa, including President Hu Jintao and Premier Wen Jiabao. And, between 2004 and 2005, China hosted 15 presidents, three vice presidents, six prime ministers, 10 parliamentary speakers and 14 foreign ministers from Africa.

These political ties have been cemented by soft loans, investment in infrastructure and through arms sales. For example, China has undertaken the construction of large prestige projects linked to institutional interests in states like Uganda, Mozambique, Gabon and Mali. This includes the building of football stadiums and even government departments or parliaments.

Structure of the report

This ippr collection of essays addresses different aspects of China's relations with Africa, including the history and politics of the relationship, as well as China's impact on trade and investment, the management of natural resources, human rights and good governance, and peace and security.

In the second chapter, Lindsey Hilsum argues that western donors and NGOs have yet to wake up to the scale of China's presence in Africa. She stresses that the closer China/Africa relationship of recent years is not simply being driven by Beijing. Many Africans are pushing for closer ties to China, fed up, as they are, with intrusive western conditionality and costly procedures for development projects. Hilsum also suggests that there may be useful lessons that Africans can learn from Latin America about how to harness the benefits of Chinese investment and trade.

Raphael Kaplinsky considers the issue of trade between China and

Africa. He identifies real benefits for some Africans, but also economic and social costs for others. He suggests that there is considerable scope for African manufacturing firms to enhance their productivity, despite the competitive challenge that China represents. Kaplinsky raises important issues about the rules of the international trading system, and suggests these should be tilted in Africa's favour, 'as much against Asian developing countries (like China) as against the high income countries of the North'.

Abah Ofon assesses some recent trends in trade between China and Africa. He argues that, as China continues to generate high rates of economic growth, it will continue to increase its market share in Africa. While there are challenges and risks posed by China's growing investment role in Africa, Ofon highlights some of the important benefits that Africans could derive from this relationship. This includes increased investment in people (training and skills), and in the services sector.

John Rocha looks at the impact of China on the management of Africa's natural resources, especially oil. He notes that China currently derives a quarter of its oil imports from Africa, through its oil operations in Algeria, Angola, Chad and Sudan, and its increasing stakes in Equatorial Guinea, Gabon and Nigeria. Rocha makes a strong case for a strengthened African response to Chinese investment in the continent's resources, and for a concerted effort, on the part of the wider global community, to engage China in international initiatives on resource management and corporate responsibility, for example the Extractive Industries Transparency Initiative (EITI).

Mark Curtis and Claire Hickson address the impact of China on peace and security in Africa, with a particular focus on Chinese transfers of military equipment. While Chinese arms export policy is opaque, independent assessments suggest that China is a significant exporter of arms to Africa, albeit not the biggest exporter. Recipients of Chinese equipment include Sudan and Zimbabwe, as well as Algeria, Namibia, Nigeria, the Democratic Republic of the Congo, Uganda and Zambia. In the case of Sudan, some of this equipment has recently been used to attack civilians in Darfur. Curtis and Hickson argue that there needs to be sustained international pressure on China to curb military transfers that fuel conflict or lead to the abuse of human rights, in Africa or elsewhere.

Ndubisi Obiorah looks at the impact of China's growing presence in Africa on human rights and good governance. He notes a widespread interest across Africa in the 'Chinese model', and a common view on the continent that this model has been more effective economically than the prescriptions foisted on Africa by western donors and the international financial institutions. However, Obiorah expresses concern that Africa's authoritarian rulers will use the Chinese example, and their growing economic and political relations with Beijing, to fend off domestic and international pressure for democratisation.

He suggests that a central challenge for African civil society is to restate the legitimacy and value of democracy and human rights: to argue that these things are not just important in themselves, but that they can also reinforce rather than undermine economic development on the continent.

Barry Sautman and Yan Hairong put China's policies in Africa in comparative context. They suggest that China and western governments have behaved in many similar ways in relation to Africa. But they also note some distinctive elements to Chinese policy that are attractive to many African governments, particularly their less interventionist stance in respect of African countries' domestic policies. China is prepared to work with African states regardless of their internal polices. As Sautman and Hairong note, while this appeals to Africa's elites, it may be bad for many ordinary Africans, including 'disadvantageous terms of trade, exploitative extraction of resources and oppressive labour regimes'.

In the concluding chapter, Leni Wild and David Mepham make some recommendations for engaging with China on Africa. We suggest four broad propositions for engagement.

First and foremost, it is for Africa's elected governments, the African Union, African regional organisations and African civil society to develop their own strategies for dealing with China. Secondly, there is a legitimate western interest in China's policies towards Africa, particularly in relation to undemocratic or repressive African states, or where Chinese policies contravene international human rights or humanitarian law. Thirdly, western governments should deepen their dialogue with China on African issues and explore opportunities for practical co-operation. Finally, to carry credibility with Africans and with the Chinese, the west should practise what it preaches on development, human rights and good governance in Africa.

The contributors have different perspectives, and there are some obvious areas of disagreement between them. However, what emerges clearly from every piece in this collection is the need to avoid sweeping generalisations about China's impact. The question is less *does* Africa gain or lose from China, but rather, *which* Africans might gain or lose, in which countries or sectors, and in which circumstances? Similarly, the contributors suggest that policy responses to the challenges posed by China in Africa need to take full account of these differentiated impacts, and to strengthen the capacity of ordinary Africans to make the relationship with China work to their advantage.

China's growing role in Africa also has large implications for the policies of western governments, companies and NGOs towards Africa. Whereas Africa's external relationships were previously focused on western governments, particularly those with former colonial ties, the rise of China on the continent creates a new triangular dynamic in which Africans may benefit from increased competition for trade, investment and even aid. The effect of western-imposed conditionality on African governments may also be weakened if Africans can now 'look east' for investment, trade, aid and other forms of assistance. Western policymakers need to adapt their development strategies to take account of this.

2. China, Africa and the G8 – or why Bob Geldof needs to wake up

Lindsey Hilsum, Channel 4 News

April 9, 2006 may go down in history as the day Sir Bob Geldof noticed what is really happening in Africa. Speaking to journalists in Athens, where he was receiving an award for his humanitarian endeavours, he noted that China was the reason the problems in Darfur had not been resolved, saying: 'The Chinese protect the Khartoum government, who are killers, and they will not allow a vote in the Security Council' (Associated Press 2006).

A few days later, in Johannesburg, he returned to the theme, saying that if G8 leaders did not deliver on promises made at the Gleneagles Summit in July 2005, 'China will be all over Africa, and they will embrace any government' (Reuters 2006).

Sir Bob has woken up late. The Chinese are already all over Africa, embracing all sorts of governments. Yet, at that Gleneagles Summit, while the Chinese Premier Hu Jintao had a walk-on part to discuss global warming, British government advisers said they had no intention of talking to him about Africa – the main theme of the meeting.

The Commission for Africa document mentions China's involvement in Africa just once in passing (Commission for Africa 2005). Yet, as Abah Ofon shows in his chapter, China has already overtaken Britain in terms of trade, becoming the continent's third most important trading partner, behind the US and France.

African countries are in a historically unique position to benefit from China's unprecedented growth, and its boost to commodity prices. But at present, African governments are in danger of simply reaping short-term gains, rather than developing their own economies more sustainably. Western donors, too, absorbed by their Gleneagles prescription of more aid, fair trade and debt reduction, have so far failed to analyse and act on the impact of China's new involvement in Africa in a constructive way.

A new China-Africa partnership

Addressing the Nigerian National Assembly on 27 April 2006, during his four-country tour of the continent, President Hu Jintao talked of a new 'strategic partnership' between Asia and Africa. Without directly criticising the west for its insistence on aid conditionality, he said: 'China steadfastly supports the wish of the African countries to safeguard their independence and sovereignty and choose their roads of development according to their national conditions' (Xinhua 2006). In other words, Chinese investment is not dependent on good governance and human rights. This is perhaps unsurprising, given that China's own meteoric economic rise has not been accompanied by a relaxation in its authoritarian system of government.

Thirty years after China tried to export communism to Africa, building stadiums and railways in countries that agreed to recognise the People's Republic rather than Taiwan, and supporting liberation movements like Robert Mugabe's ZANU in the 1970s, the Middle Kingdom seems to have no ideological fervour left.

In contrast, western countries are trying to persuade African governments to adopt their political culture, using aid as a lever for introducing democracy. From the perspective of African governments, China seems to ask for little in return for allowing investment (although non-recognition of Taiwan is still a recurring theme in Chinese relations with Africa). Even to African governments genuinely concerned about their people's welfare, the Chinese model is intriguing. In just over a decade, China has lifted 165 million of its own people out of poverty. In his speech in Nigeria in 2006, President Hu said that, by 2020, the Chinese aim to quadruple GDP from its 2000 level. Which G8 country can point to such success for its aid programmes?

Realities of Chinese investment

While oil interests in countries like Sudan, Nigeria, Angola and Equatorial Guinea are driving Chinese investment on the continent, even aid-dependent African countries like Sierra Leone – which were once seen as firmly under British influence – are looking east (Hilsum 2006). Freetown, the capital of Sierra Leone, is dominated by new Chinese buildings – the parliament, the main government office block, the military headquarters and the newly refurbished stadium were all rapidly completed in 2004 and 2005. 'The Chinese work 24 hours a day. We could learn from them', the Information Minister, Septimus Kaikai, recently said (interview with the author, Freetown, 2005).

According to the World Bank, Sierra Leone is the poorest country in Africa. Seventy per cent of Sierra Leoneans live in poverty. Electricity is intermittent, many households have no running water, and 60 per cent of young men are unemployed. Ravaged by civil war, Sierra Leone's stability is guaranteed only by British and UN troops. Western governments see the country primarily as a recipient of aid, an emblem of the Africa that British Prime Minister Tony Blair once described as a 'scar on the conscience of the world'.

Yet, while western investors see little potential for profit in a country like Sierra Leone, where poor infrastructure hinders all endeavours and government corruption is growing, Chinese companies can keep their costs so low that their investments pay off rapidly.

An ambitious tourism complex on Lumley Beach in Freetown is in the pipeline. The artist's impression in the Ministry of Tourism shows pagodastyle apartments, and Chinese tourists strolling around a central fountain. Existing developments, like the Chinese-renovated 270-bed Bintumani Hotel, mirror Chinese reality – the doorways may be tall enough for a Chinese man, but not for a westerner. Everything is sourced back to China, from bathroom fixtures to the red lanterns swinging in the porch.

Indeed, countries like Sierra Leone have become a proving ground for Chinese companies learning to become multinationals. As Yang Zhou, the Bintumani manager, explained: 'Africa is a good environment for Chinese investment because it's not too competitive – unlike Europe and the USA' (interview with the author, Freetown, 2005).

A good example is Henan Guoji, a private company that recently invested US$4 million in a small industrial centre in what used to be a transit camp for people displaced to the capital by war. It will now serve as a showcase for imported and locally assembled Chinese goods. 'Our company has just started to enter the international market,' explained Xu Ming Zheng, the Henan Guoji representative in Freetown. 'We need to gather some experience from our operation here, so that we will be able to build a good foundation for our future global operation. We would like to invest in more African countries using this model' (interview with the author, Freetown, 2005).

The Chinese management live in barracks-style accommodation, unaccompanied by families, so personnel costs are kept down. Henan Guoji and other companies are looking into more projects in Sierra Leone, including hydroelectric power, tourism and agriculture. Chinese businessmen are challenging the Lebanese community, which has traditionally monopolised commodity trading in West Africa. These are the pioneers of the new global China, setting out to conquer commercially, much as the British did more than a century ago.

Many Sierra Leoneans speculate that, ultimately, the Chinese are interested in the country's diamonds, and the potential for offshore oil exploration. Certainly, China is positioning itself well in the eyes of the government in Freetown. According to Sahr Johnny, Sierra Leone Ambassador to Beijing:

> If a G8 country had wanted to rebuild the stadium, for example, we'd still be holding meetings! The Chinese just come and do it. They don't start to hold meetings about environmental impact assessment, human rights, bad governance and good governance. I'm not saying that's right, I'm just saying Chinese investment is succeeding because they don't set high benchmarks.
>
> (Hilsum 2005)

This gung-ho approach worries free speech and anti-corruption campaigners. 'I think they're penetrating Africa to make themselves another power,' said

Ibrahim Seaga Shaw, the editor of Sierra Leone's Expo Times, now an online newspaper edited from London because political pressures made working from Freetown too dangerous (interview with the author, Freetown, 2005).

In 1997, Seaga Shaw was imprisoned in Freetown and charged with treason after writing an article criticising the then Nigerian President Sani Abacha, who had sent peacekeepers to Sierra Leone. Seaga Shaw believes he was saved by western pressure. The country's debt rescheduling was about to be discussed at the Paris Club. 'Reporters sans Frontières put pressure on the French government just before that meeting. We were released on bail. But if the government at that time had been getting more from China, they might have said, well, we have alternatives. They might not have heeded the calls from the human rights community' (interview with the author, Freetown, 2005).

Frustrated by the bureaucracy and high overheads incurred by G8 governments' and multilateral donor-funded projects (often employing expatriate personnel), some African governments are already beginning to see Chinese investment as an alternative. 'The Chinese are investing in Africa and getting results, while the G8 are putting in huge amounts of money, and they don't see very much,' according to Sahr Johnny, Sierra Leone Ambassador to Beijing (Hilsum 2005).

The Chinese certainly care about results. In May 2005, President Robert Mugabe – regarded as a pariah by Europe and the USA – told the crowd celebrating 25 years of Zimbabwe's independence: 'We have turned east, where the sun rises, and given our back to the west, where the sun sets.' The Chinese are believed to have provided Mugabe with modern equipment to jam SW Radio Africa, an anti-government radio station operating from London.

Some recent reports from Zimbabwe had suggested that the Chinese were losing interest, largely because the Zimbabwean economy cannot deliver on Chinese investments (ZimOnline 2005). Yet, China's relationship with Zimbabwe still looks strong. In June 2006, China signed a US$1.3 billion deal with Zimbabwe to help relieve a serious energy shortage. Chinese companies will build new coalmines and three thermal power stations in the Zambezi valley and Zimbabwe will provide China with chrome (BBC News 2006).

But it may only be a matter of time before China again questions whether Zimbabwe can deliver. 'The reality of trade with Far Eastern countries … was that nothing would come Zimbabwe's way on the house,' said a recent editorial in a non-government Harare newspaper. 'The Chinese, like any economic power, demand international commercial rates for whatever services they render to Zimbabwe. This entails the country generating foreign exchange, which it is not doing, hence there have been no real benefits from looking east' (*Zimbabwe Independent* 2006).

The Zimbabwean example is instructive, because it indicates that China has not come to Africa purely out of solidarity against former colonial rulers, as leaders like Mr Mugabe have claimed. Western countries may throw good money after bad in doomed aid projects, but China may not.

So, can Africa benefit from China's increased role?

Lessons from Latin America

Africa has a unique opportunity to state its terms, but it will need to look at what Latin America is doing right. To some extent, Brazil, Argentina and Chile are enjoying booms on the back of Chinese demand for iron ore, copper, agricultural produce and other natural resources. According to Graciela Chichilnisky, Director of Columbia University Centre for Risk Management, 'The relations between China and Latin America today represent a historic opportunity, given the enormous growth in Chinese demand for commodities and fuel' (*Asia Times* 2006).

Brazilian soya bean exports are up 10,000 per cent since 1995, with China as the most rapidly growing market; Argentina is similarly capitalising on the Chinese hunger for soya. Although the environmental consequences of chopping down the rainforest and the pampas to replant with soya may be detrimental, the fact is that these economies are benefiting. Share prices in Brazil are up 400 per cent in the past three years (Collinson 2006). Chile is enjoying a mini copper boom, as Chinese demand shows no sign of relenting. Massive new infrastructure projects, including roads, bridges and new port facilities to speed the export of commodities to China, are boosting Latin America's economies, even in countries without oil.

The pace of growing Chinese demand is such that few academic studies yet reflect its impact on either Latin America or Africa. Both continents suffer the same structural problems, frequently failing to add value in-country, but remaining simply a source of raw materials and commodities. And both continents have poor records on tackling poverty.

However, the UN Undersecretary for Economic and Social Affairs, Jose Antonio Ocampo, has said that social spending is rising more rapidly in Latin America than elsewhere in the world (Kraul 2005). The added revenue means there is more to spend. Moreover, better-developed Latin American countries like Brazil are striking mutually beneficial bargains. Brazil insists on public bidding for contracts, and limits the import of foreign – including Chinese – labour.

Part of the G8 agenda was to make the terms of trade fairer, so Africa could export more agricultural produce. Yet, Latin America has become a hugely profitable agricultural exporter without any major changes to the world system. Former President of Zambia Kenneth Kaunda used to complain that the country's economy collapsed because copper prices were so low – now copper fetches more than US$8,000 a tonne on the London Metal Exchange, the highest for decades. So, why is there no copper boom in Zambia, improving the lives of ordinary Zambians?

Agricultural experts say that the soils in the two regions are comparable, so where are Tanzania's or Mozambique's soya bean projects, providing employment and revenue? What are oil-producing African governments doing with the profits they gain from Chinese investment? Where is the development?

This is surely the challenge of Chinese investment for Africa.

A year ago, in Gleneagles, Sir Bob Geldof and his cohorts declared victory, primarily because G8 countries pledged large amounts of aid to Africa. But there was little new thinking on how that aid might be used. Maybe G8 countries can help Africa strike an equal partnership with China, and benefit from this new investment. Western NGOs could also do more to help African civil society groups focus on the use their governments are making of the profits of Chinese investment.

There is no point in G8 governments or NGOs grumbling about China, nor setting up the west in opposition, fighting over Africa like two hyenas tearing at a gazelle. China is there to stay in Africa. Its influence is set to increase. If the west wants to avoid becoming irrelevant, it has to engage China on Africa, and Africa on China. China fears its own potential power. Not wishing to antagonise the US and Europe at this delicate stage in its progress, the Chinese government no longer even talks of 'peaceful rise', preferring 'peaceful development'.

G8 countries need to tap into that concern, consulting Chinese experts on Africa and pulling China into forums where Africa's future is discussed. The west may have something to say on human rights and corruption; China may be able to contribute on how to make investment work in Africa.

Wake up, Sir Bob – time has moved on from the aid, trade and debt agenda. Africa is looking east, and so must everyone else.

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3. Winners and losers: China's trade threats and opportunities for Africa

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The challenge

In the mid 17th century, China accounted for more than a third of global output. Internal turmoil thereafter resulted in economic stagnation and decline, particularly during the 19th century. By the mid 1970s, China's share of global output had declined to less than five per cent.

China's 'take-off' to rapid sustained growth began around 1979, and the economy has grown at an annual growth rate of more than 9.5 per cent since then. The OECD estimates that by 2016 China will be the world's second largest economy. However fragile the domestic political picture might seem, as China responds to the unequalising outcomes of globalisation and pressures for greater democracy, there can be little doubt that China will become one of the dominant economies – if not the dominant economy – of the 21st century.

China's rapid growth rate is not unique. In recent years, Japan, Korea and Taiwan have experienced similar economic miracles. But China is a special case. Japan's growth could proceed with little impact on the global economy. But when an economy with more than 20 per cent of the global population grows at a sustained high rate, the impact is far greater.

This impact is compounded by the astonishing openness of the Chinese economy. Its trade to GDP ratio of more than 70 per cent is very high for a large economy. Add in the effect of the currently less-open Indian economy, growing rapidly since the early 1990s and likely to be the most populous economy by 2030, and the gravitational pull of the broader Asian economy is likely to become overwhelming. Consider a further dimension – the distinctive character of the economic and political actors in these two Asian economies – and the logic of engaging with these 'Asian drivers' becomes inescapable.

Africa, of course, represents a very different story, particularly over the past 25 years. For Africa, this has been a period of sustained economic decline, war, poor governance and failed states. Between 1990 and 2001, China experienced a massive reduction in levels of absolute poverty – the numbers living below the US$1-a-day benchmark fell by 165 million; by contrast, in the same period, the numbers living in absolute poverty in Africa increased by 77 million.

For Africa, then, China is important in two key respects. Firstly, there may be lessons to be learned from China's success, notably the policy regime required to deliver sustained economic growth. Here, China's experience stands in stark contrast to the prescriptions of the Washington Consensus, which are seen as having been foisted on Africa and other developing economies. In this context, the Washington Consensus describes a policy package promoted by the World Bank, the IMF and many western aid donors, favouring the liberalisation of foreign trade and domestic markets, privatisation and a reduced role for the state.

Secondly, what threats are posed and what opportunities are opened for African development by China? Who in Africa is gaining and who is losing from China's rapid growth and outward orientation? And who might gain and who might lose if Africa adopts a new 'look-east' policy agenda?

A comprehensive framework is essential

Chinese aid, trade and foreign investment in Africa often represent closely co-ordinated strategic initiatives, something that is emphasised throughout this collection.

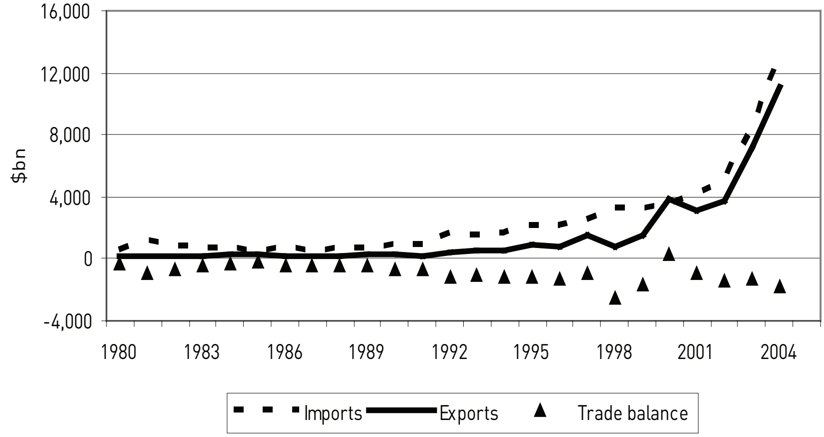
But if we focus specifically on trade-related issues, two are crucial. First, it is important to distinguish between *competitive* and *complementary* impacts. In some respects, China and Africa's growth is synergistic – Africa may produce what China requires, or China may export the goods that Africa needs. Alternatively, Africa and China may compete with each other, selling the same products into global markets, or perhaps competing with each other to import scarce materials such as oil.

A second important element to consider is the distinction between *direct* and *indirect* impacts. The direct impacts are obvious and often easy to record – what is the direct trade between China and individual African economies? Which Chinese firms are working in Africa, and in what sectors? But the indirect impacts are often much larger, and they are much more difficult to assess. China's trade in global markets affects global demand and supply, and this filters through to the prices paid by African importers, and received by African exporters.

The direct trade impact

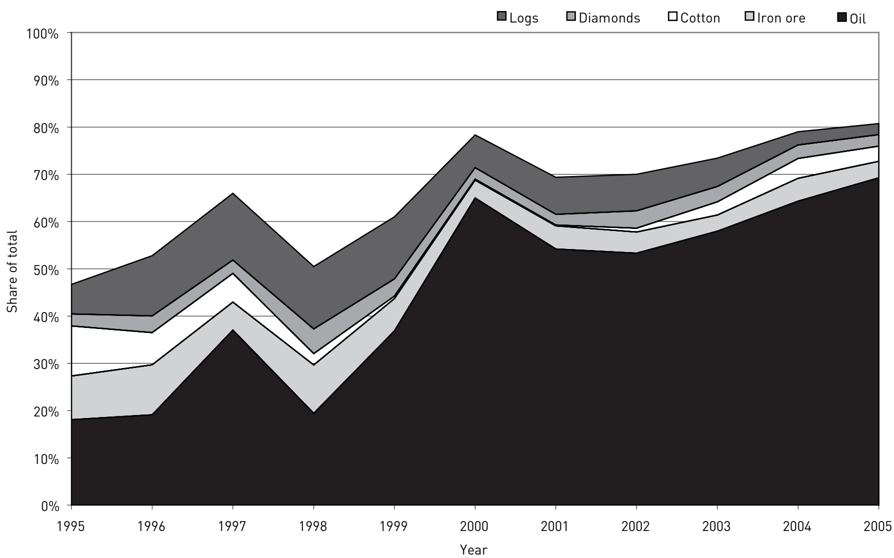
Recent years have seen an astonishing growth of trade between China and Africa. Before the impact of the surge in commodity prices was felt in the second half of 2005, Africa was increasingly sinking into a deficit in its direct trade with China (Figure 3.1). Most of China's imports from Africa (with the exception of those from South Africa) were commodities (Figure 3.2), reflecting a combination of China's growing import dependence for these raw materials, and Africa's enormous resource potential. Oil imports from Africa have increasingly dominated China's trade with the region, so that, while Africa's trade deficit with China as a whole may not seem to be large, it has, in fact, grown rapidly for those African economies not exporting oil.

Figure 3.1. Balance of trade between China and Sub-Saharan Africa, 1980-2004



Source: Calculated from IMF Direction of Trade Statistics, accessed 2 February 2006.

Figure 3.2. Composition of Chinese imports from Sub-Saharan Africa



Source: Derived from Sandrey (2006)

China's share of oil exports is significant, particularly in fragile states such as Angola, Sudan and the Congo. A similar picture emerges in the Democratic Republic of Congo (DRC) in the case of basic metal exports (Table 3.1). Some countries such as Tanzania (cotton and wood), and Gabon and Cameroon (wood) supply China with above-the-ground natural resources.

Table 3.1. China's overall share of certain commodities exported by African states (in percentage)

	Crude oil	Metals	Wood	Cotton
Angola	100			
Sudan	98.8			
Nigeria	88.9			
Congo	85.9			
Gabon	54.8		42.3	
DRC		99.6		
Ghana		59.8		
S Africa		45.6		
Cameroon			39.7	
Tanzania			23.4	53.8

Source: Goldstein *et al* (2006)

Only seven African countries source a significant share of their total imports from China. Sudan stands out, with 14.2 per cent of its imports coming from China. This is followed by Ghana and Tanzania (9.1 per cent), Nigeria (7.1 per cent), Ethiopia and Kenya (6.4 per cent) and Uganda (5.1 per cent). Almost all of these imports were manufactured products.

There is a debate on the extent to which manufactured imports from China are competitive or complementary for Africa. On the one hand, China-sourced imports into Africa have substituted for traditional suppliers, often providing much cheaper and more appropriate products than those sourced from high-income economies of Europe, North America and Japan. In addition, much of Africa's clothing exports use Chinese fabrics. These imports suggest little displacement of domestic production, few negative impacts on employment and local production, and a boon to consumers.

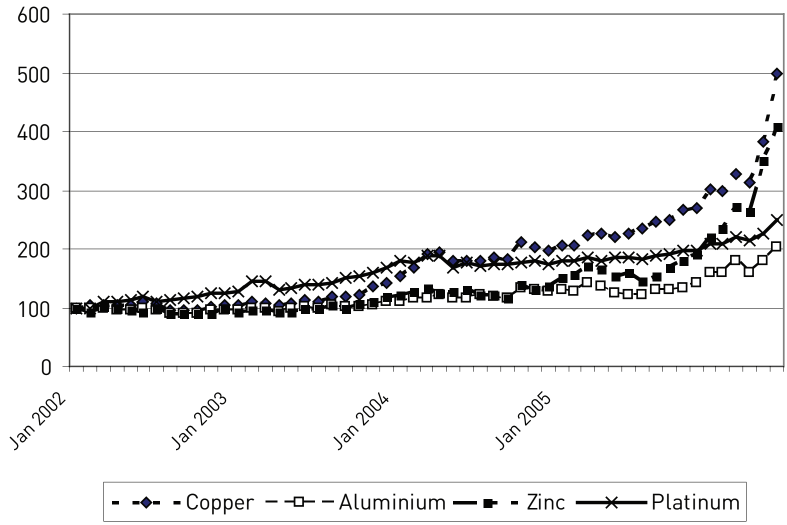
However, this rosy picture of opportunities may reflect a misplaced sense of optimism, as there is growing evidence that imports from China have displaced African producers.

Textile, clothing, furniture and footwear manufacturers in countries such as Ethiopia, Ghana, Nigeria, South Africa and Zambia have been adversely affected by imports from China. In Zambia, trade unions claim that imports of Chinese clothes have undermined the clothing sector, and, in Nigeria, trade unions blame Chinese imports for the loss of 350,000 jobs. In Ethiopia, although competition from Chinese shoe imports has led to an upgrading of processes and design by many domestic firms, it has simultaneously had a negative impact on employment and domestic output.

A study of 96 micro, small and medium domestic producers reported that, as a consequence of Chinese competition, 28 per cent were forced into bankruptcy, and 32 per cent downsized their activity.

Damaging though these impacts may be, the concern is not so much the short-term displacement of existing producers as the challenge to future

Figure 3.3. The rising global price of commodities



Source: Calculated from data provided by the *Guardian*, and derived from data sourced from Thomson Financial.

production. Particularly in the case of light consumer goods, Chinese imports pose adverse and long-term implications for African industrialisation. What 'spaces' will African producers be able to move into as their economies grow and they seek to diversify?

The indirect trade impacts

Both China and Africa trade in global markets. But China's trade footprint is so large that it is dramatically altering global prices. This has significant consequences for Africa. The indirect trade impacts are much more difficult to analyse, which is why most of the analysis of China's impact on Africa has, so far, focused on the growth and impact of direct trade links.

As with direct trade impacts, indirect trade impacts may be both positive and negative. As Abah Ofon highlights in his chapter, China accounts for almost all the increase in the global consumption of the major commodities after 1998, and this has led directly to an increase in global commodity prices (Figure 3.3). This development has been beneficial for African commodity exporters, even those who are selling into third-country markets.

A second positive indirect impact of China's trade is that its rapid expansion of manufactured exports has contributed significantly to reducing world prices for manufactured goods. This has been crucially important for those countries importing manufactured goods, enhancing the real spending power of consumers and holding inflation at bay. The welfare impact of these falling prices on African consumers, especially those with low incomes, should not be underestimated.

Each of these positive indirect impacts in global markets has its downside for some African economies. The rising price of commodities (and especially oil) may have benefited exporting African economies. But at the same time, it has had adverse effects on those African countries that import these commodities. The rising price of oil has had significant harmful impacts.

The falling prices of manufactured goods have also placed enormous pressures on producers in other countries, even those who do not directly trade with China. They are faced with collapsing global prices, which often make it difficult to compete in global markets, even when wages and incomes are reduced. We can witness these pressures in the UK, in the EU and in all the high-income countries. But they are also felt acutely by exporters in other low-income economies who compete with China in global markets.

In the case of Africa, these pressures are felt most significantly by the six countries that have become major exporters of clothing, particularly to the USA – Kenya, Lesotho, Madagascar, Mauritius, South Africa and Swaziland. The scale and growth of these exports, on the back of trade preferences provided by the US African Growth and Opportunities Act (AGOA) in 2000, have been substantial (Table 3.2).

Table 3.2. Growth of Sub-Saharan Africa's clothing and textile exports, 2000-2004

Supplier	Year	Exports (US$1,000)		
		World	USA	US share (%)
Kenya	2000	51,527	46,701	90.6
	2004	305,448	295,520	96.7
Lesotho	2000	154,192	146,364	94.9
	2004	494,155	481,787	97.5
Madagascar	2000	610,683	115,377	18.9
	2004	559,501	345,728	61.8
Swaziland	2000	37,712	33,356	88.4
	2004	190,537	188,467	98.9
South Africa	2000	453,153	150,313	33.2
	2004	252,453	149,402	59.2

Note: Mauritius is a major African exporter but is excluded from this table.
Source: Kaplinsky and Morris (2006)

Lesotho is a notable case. One of the world's poorest economies, it had little to export other than unskilled labour and water, until the advent of the AGOA. Its exports of clothing to the US rose from US$146 million in 2000 to US$462 million in 2004. Equivalent to 50 per cent of GDP, these accounted for 99 per cent of all merchandise exports. Kenya is another example. It has a wider export portfolio than Lesotho, but, as AGOA clothing exports rose from US$47 million to US$296 million between 2000 and 2004, employment in the exporting enterprises grew to the equivalent of 20 per cent of total formal sector employment in manufacturing.

The global clothing and textile sector has been an important arena for protectionism. The end of 2004 saw a significant change in the Multi-Fibre Agreement (MFA), which benefited Chinese exporters. In the past, they not only paid higher tariffs when exporting to the US and other destinations, but were also limited by quota controls. From the beginning of January 2005, these quota limits were lifted, and China could sell as many items into major markets as it wanted to. (However, the astonishing growth of these exports subsequently led to a 'temporary' reimposition of quota controls, albeit more generous than those existing prior to 2005.)

The impact of reduced controls on China's clothing and textile exports was severe for African clothing and textile exporters, although not as bad as originally anticipated. In the first full year after quota removal, Africa's overall AGOA clothing exports declined by 17 per cent, Lesotho's and Madagascar's exports each fell by 14 per cent, Swaziland's by 10 per cent and Kenya's by three per cent (Table 3.3). The prime casualty of quota removal was South Africa, whose AGOA exports collapsed, virtually halving.

This suggests a direct exclusionary impact by China, and other Asian economies, on Africa in third-country markets.

Table 3.3. African export performance following quota removal (2004 versus 2005)

	Change in SSA export value (%)	Change in China exports in equivalent product groups (%)	Fall in unit prices of Chinese exports to US (%)
AGOA	-17	58	-45.9
Lesotho	-17	112	-46.2
Madagascar	-14	76	-44.0
South Africa	- 45	65	-33.0
Swaziland	-10	91	-51.9
Kenya	-3	77	-44.8

Source: Kaplinsky and Morris (2006)

The negative consequences of this competition from China are large and focused. The scale of job losses arising from the end of MFA quotas is alarming (Table 3.4). And it is not just the degree of job loss (particularly in Lesotho and Swaziland) that is of concern, but also the nature of these jobs.

These jobs mostly involve women, and the effect on their families is acute. In South Africa, for example, it is estimated that approximately four people are supported for every job in the formal sector. We also know from global experience that rapid economic growth can be a significant factor in reducing poverty, and the loss to both GDP and exports arising from a sharp contraction of the clothing sector will have a further negative impact on poverty levels.

Table 3.4. Decline in the number employed in the clothing sector, 2004-2005

	2004	2005	% decline
Kenya	34,614	31,745	9.3
Lesotho	50,217	35,678	28.9
S Africa	98,000	86,000	12.2
Swaziland	32,000	14,000	56.2

Source: Kaplinsky and Morris (2006)

Winners and losers

It is possible to broadly sketch out the likely winners and losers from these direct and indirect trade impacts – that is, the impact on different sectors and economies, rather than particular groups within these economies.

On the gain side are:

- Products that Africa exports and China imports – that is, China as a market for African goods. The beneficiaries are the hard commodity and oil exporters, including Nigeria, Sudan, Angola, Zambia, South Africa, the DRC, Ghana and Gabon.
- Products that China exports and Africa imports. This includes most basic consumer goods and some capital goods, as well as fabrics for Africa's clothing industry. All parties gain from falling world prices and the availability of more appropriate goods.

On the losing side are:

- Products exported by both China and Africa, where African economies encounter fierce competition in third-country markets. The primary sectors are clothing, textiles, furniture and shoes, affecting a wide range of African economies, especially Kenya, Lesotho, Madagascar, Mauritius, South Africa and Swaziland.
- Products that both Africa and China import, notably oil.

And the policy implications are...

Five primary sets of policy response may enable African economies to take maximum advantage of the opportunities and to minimise the potential costs arising from China's rapid growth. Of course, 'economies' are not people, or groups of people, and the impacts on different segments of the population may require different or nuanced responses.

First, China's footprint in the world economy is now so large that it seems to be changing what has long been considered one of the inexorable trends of the modern era. Its demand for commodities is leading to a rise in the relative price of these products, while at the same time, its exports result in a falling relative price of manufactured goods. This alteration of the 'terms of trade' has multiple implications, particularly for commodity exporters.

One of the lessons of economic specialisation is that, for many countries, particularly in Africa, commodities are a 'resource curse' rather than a source of sustainable wealth. Their exploitation is often associated with war, and government coffers swelled by export receipts are a honeypot for corruption. So, as John Rocha highlights in his chapter, domestic political actors in Africa, as well as outside agencies, will have to address the challenges the current commodity price boom might pose for good governance.

Rising commodity prices create other challenges, too, particularly for economic management. Countries need to learn how to harvest and store the revenues generated in good times of rising prices to cover their needs when commodity prices fall (as they inevitably will, albeit not in the short run), a lesson well learned by Botswana. Another policy challenge raised, referred to as the Dutch Disease, is how to mitigate the consequence for non-commodity sectors when the exchange rate rises as a result of booming commodity prices.

A second set of policy challenges confronting Africa relate to the industrial sector. The falling global price of manufactured goods, and the rising tide of cheap manufactured imports from China create many difficulties for African industry.

This is not only a problem in the short run for countries such as South Africa and the other AGOA clothing exporters, but is a much bigger problem for the future, as African countries seek to diversify out of agriculture. Here, though, it is too easy to be drawn into undue pessimism. We know that there is considerable scope for African manufacturing firms to enhance their productivity, often without engaging in costly investments in new equipment. We also know that, in reality, many Chinese firms, including those operating in Africa's clothing sector, are inefficient. For example, Chinese supervisors in Lesotho garment plants do not speak Sesotho, and achieve low levels of co-operation from their workforces.

There is real potential for a policy framework that facilitates African firms in building their dynamic capabilities. Some of these industrial policies, incidentally, owe much more to the experience of China than to the policy prescriptions of the Washington Consensus.

Third, there are important lessons to be learned by the global community in the construction of a rules-based trading system. What Africa does not need is a level playing field. The evidence is that Africa continues to require privileged access to major global markets, but that this privileged access – the 'sloping playing field' – needs to be tilted as much against Asian developing economies as against the high-income economies of the North. Special and differential treatment for African economies remains a very important agenda item in world trade negotiations.

A fourth and related policy challenge is how to approach trade policy reform in Africa. Providing unrestricted market access to China and other Asian producers will sound the death knell of African industry. Africa needs to be able to protect itself from global competition. But, unlike previous eras, this protection cannot be undertaken on a national basis, with the possible exception of South Africa in some sectors. Markets in Africa are too small to allow for scale economies and competition, so this new protectionism needs to be thought of on a regional basis. Here, too, the model to be followed is much more like the 'Beijing Consensus' than the 'Washington Consensus'.

Finally, Africa needs a strategic reorientation. Trade and other economic and political links are still predominantly with the world's industrialised countries, and often with former colonial masters, in particular. This is reflected in infrastructure, communication links, language capabilities, diplomatic configurations, culture, and in adherence to the 'Washington Consensus'.

The size and dynamism of the Asian drivers (particularly China) begs for a strategic reorientation by individual and groups of Africa economies. The mantra of the future should be 'Go East, Young (Wo)Man'. But, if this strategic reorientation is to be effective, then African economies will need to adopt the same co-ordinated strategic approach to economic, social and political links with Asia as China currently takes toward Africa.

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4. South-South co-operation: can Africa thrive with Chinese investment?

Abah Ofon, Standard Chartered

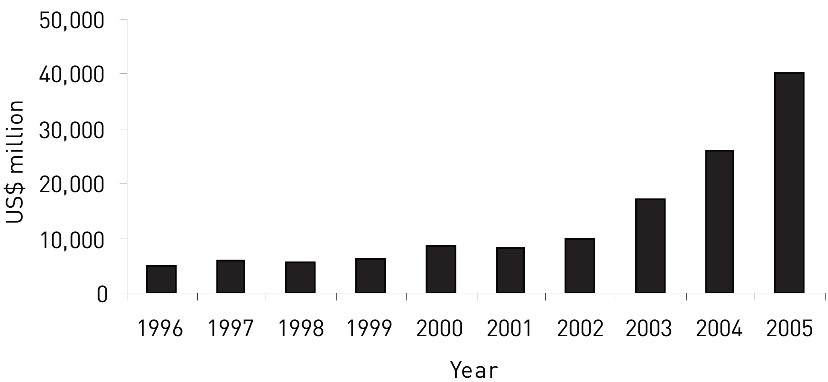
2006 marked the 50th anniversary of China's establishment of formal diplomatic ties with Africa. But, over the last two decades, China's relationship with Africa has grown very significantly. While previous contacts were primarily political, the new order hinges on economic co-operation and increased trade relations. For example, in 2005, Africa's exports to China rose by 72 per cent (IMF 2006). Although trade between Western Europe and Africa is still significant, it is growing much less fast than China–Africa trade.

There is evidence that this trend in Sino-African trade is set to continue in the medium term, as China continues to generate high rates of growth and to increase its market share in Africa. While this poses some risks to Africa, there are also some important potential benefits, for example the prospect of increased investment in training and skills, and in the services and agriculture sectors.

Chinese demand for commodities drives its trade with Africa

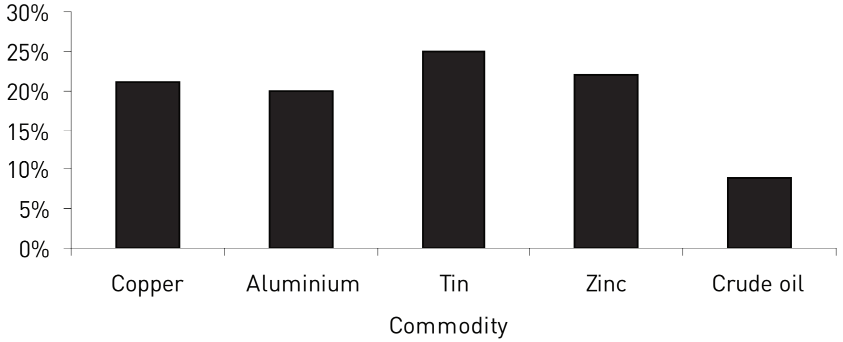
Whereas exports from Africa to Western Europe have traditionally comprised agriculture, mining and manufacturing products, the main commodities supplied by the principal exporters to China (Angola, South

Figure 4.1. Africa's trade with China is rapidly rising



Source IMF (2006)

Figure 4.2. Chinese share of global consumption for commodities in 2006 (estimate)

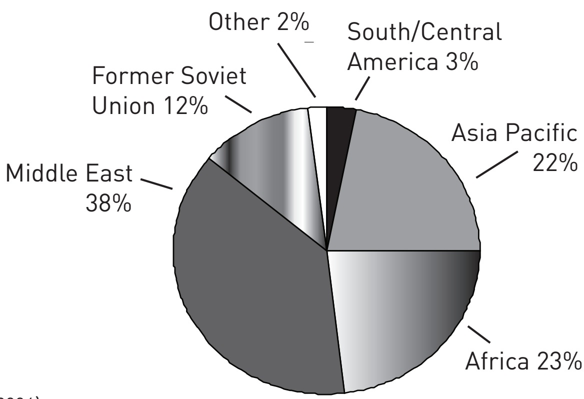


Source: Ofon and Xu (2004)

Africa, Republic of Congo (Brazzaville), Equatorial Guinea, Nigeria, Gabon, Algeria and Chad) are oil, base metals and timber. Africa now provides around a quarter of China's imported oil (BP 2006). A similar trend is emerging for other commodities, too. In 2003, the Asia-Pacific region (particularly China) accounted for 45 per cent of global demand for copper, 39 per cent of aluminium, 50 per cent of tin and 29 per cent of crude oil (Ofon and Xu 2004).

Africa has, therefore, become a natural trading partner for China. And, despite concerns that Sino-African trade favours China, Africa as a whole has been able to claw back its trade deficit with China from US$2 billion in 2004 to a surplus of US$900 million in 2005 (IMF 2006).

Figure 4.3. Where does China get its oil from?



Source: BP (2006)
Note: 2005 figures

Oil is becoming increasingly important in trade between the two regions. In 2003, China overtook Japan to become the world's second biggest consumer of petroleum products after the US. The US Energy Information Administration (EIA) estimates that, between 2000 and 2004, China accounted for 40 per cent of the total growth in global oil demand (EIA 2006). Similarly, EIA data forecasts that by 2006 China will represent 38 per cent of the global demand for oil, and Chinese consumption of oil will more than double by 2025.

This demand reflects the fact that China is trying to build up its strategic oil reserves to 90 days by 2015, from the existing 10-30 days. Moreover, China's expanding population and high economic growth rates are increasing its demand for oil and other sources of energy.

At the same time, political uncertainties in the Middle East are forcing many countries to look for other sources of oil. Africa is an obvious alternative, and China is trying to lock in more suppliers from Africa as part of its national energy security plan. In January 2006, China's top offshore oil producer, CNOOC Ltd, agreed to pay US$2.3 billion for a stake in a Nigerian oil and gas field – its largest overseas acquisition so far. This follows deals struck over the past two years to secure raw materials in Gabon, Tunisia and South Africa.

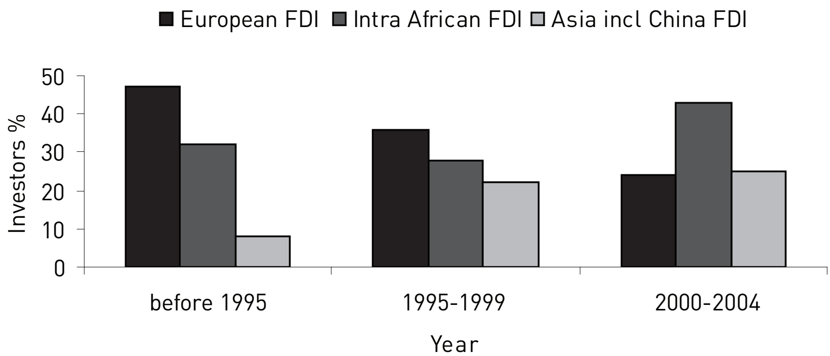
Since 1993, Chinese imports of African timber have grown significantly, caused by high levels of Chinese construction and growing demand for furniture, interior decoration and paper. Timber consumption is forecast to remain high in the medium term, driven by large-scale infrastructure projects, such as the 2008 Olympics, the Three-Gorges Dam, the development of Western China, and the Shanghai World Expo in 2010. China's demand for imported industrial wood, timber, paper and pulp is expected to grow by at least 33 per cent within the next five years, from the current 94 million cubic meters to 125 million cubic meters (Butler 2005).

Africa: benefiting from Chinese investment

Africa is benefiting from Chinese investment in a number of ways. For example, China exports consumer goods in significant number to large countries like Nigeria and South Africa, and, overall, Chinese products have become ubiquitous in many African markets. Consumers in Africa have been ready importers of basic and durable consumer goods, which include household utensils, electrical products and clothing.

In his chapter, Kaplinsky highlights some concerns about the impact this is having on many local manufacturing industries in Africa. Nevertheless, many Chinese products are well suited to the needs of lower-income African households, which require low-priced products at satisfactory quality. Cheap consumer goods have also kept inflation levels down. In general, popular attitudes towards Chinese products and traders across

Figure 4.4 Foreign direct investment in Sub-Saharan Africa



Source: Ofon and Xu (2004)

Africa can be described as positive. However, given China's development model and its continued competitiveness, there may be future concerns about so-called 'anti-dumping issues', where low-cost Chinese products undercut local entrepreneurs.

As Figure 4.4 shows, China is now overtaking Western Europe in terms of new investments into Africa. While approximately 35 per cent of all FDI into Africa was from Europe between 1995 and 1999, by 2000 this figure had fallen to around 23 per cent. Chinese investment in Africa has gone predominantly to countries and sectors that support China's demand for raw materials, but this investment has also been directed into less profitable sectors like infrastructure. This can bring real benefits to ordinary Africans in many countries.

In its 2006 White Paper on Africa, the Chinese government made some important commitments in this context. These included a commitment to increasing China-Africa co-operation in transportation, communication, water conservation, electricity and other infrastructure. The White Paper promised that China's government would vigorously encourage Chinese enterprises to participate in the building of infrastructure in African countries. Strengthening technology and focusing on capacity building was also identified as a priority.

China's trade and investment with Africa has been supplemented by its support for the development of Africa's human resources and by the greater provision of aid. Through the China-Africa Co-operation Forum, set up in October 2000, China has cancelled the debts of 31 African countries, totalling US$1.3 billion, and granted zero-tariffs on the imports from 28 African countries.

Ethiopia is one of the countries that has benefited from China's strategic partnership. Ethiopian exports to China have doubled from US$150 million in 2003 to around US$300 million in 2005 as a result of preferential bilateral trade agreements. Chinese experts have assisted in developing the curriculum for Ethiopia's agricultural colleges, and have trained around 10,000 local teachers in two years. The Ethiopian experience is a good example of the way in which China is helping Africa to strengthen its human capacity.

There may even be some benefits in sectors where China is competing with Africa. The phasing out of the Multi-Fibre Agreement in January 2005 led to a resurgence of the Chinese textile industry, with China's textile trade growing 20 per cent in 2004 alone. While Chinese competitive advantage in textiles has undermined Africa's own textile industry, the picture has not been completely negative. Cotton producers like Burkina Faso, Benin and Mali have benefited from an increase in cotton exports to China.

There is one additional area of potential benefit to Africa that is worth highlighting here: the role of tourism. Sixteen African countries have so far obtained the status of 'approved tourist destination' (including Mauritius, Zimbabwe, Tanzania, Kenya, Ethiopia, Seychelles, Tunisia, Zambia, Uganda, South Africa, Egypt and Morocco). This led to a 40 per cent year-on-year surge in Chinese tourists to Africa in 2005. South Africa hopes that the number of tourists from China will increase to 50,000 by 2006, from a 2001 level of around 13,000.

Tourism already accounts for a substantial part of foreign exchange receipts in some African countries like Kenya and the Gambia, and China is expected to continue to grant African countries 'approved destination status' for Chinese tourist groups. The rise of an affluent middle class in China and an anticipated 100 million Chinese tourists in the near future could provide important additional sources of revenue for Africa's tourism industry.

Lessons for Africa from China

In the quarter of a century since 1978, China has made significant progress in improving the living standards of its people. In 2005, China's GDP reached US$2.2 trillion, having risen from US$727 billion in 1995, and its per capita GDP reached US$1,700 (up from US$601 in 1995). China has also seen dramatic reductions in poverty levels. In just over a decade (from 1990 to 2001), the numbers in China living below the internationally agreed poverty benchmark fell by 165 million. And China is now the fourth largest economy and the third largest trading nation, as well as being one of the largest recipients of foreign direct investment in the world.

While China's development agenda is not a magic template, its experience and model of development can set an encouraging example for other developing countries, not least in Africa. China demonstrates that it is possible to reduce poverty over a relatively short period of time. The key to this is for countries to follow a road to development that suits their national conditions, and for sound economic policies to be adopted and implemented.

An important priority for international donors and for Africans themselves should be finding ways of sharing development experience between Asia and Africa – through exchanges between governments, companies, civil society and academia.

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5. Managing natural resource wealth: African strategies for China

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In 2001, African leaders adopted the New Partnership for Africa's Development (NEPAD), an integrated development framework for Africa, and, in 2002, they transformed the Organisation of African Unity (OAU) into a more vibrant African Union (AU). The creation of the AU and NEPAD underlined the importance of regional integration, democracy and good governance to economic growth and sustainable development on the continent. The need to reverse the development chasm between Africa and the rest of the world was another core objective.

In China, the 'going global' strategy seeks to open up opportunities for foreign investment in China, as well as creating new markets for Chinese investments abroad, including in Africa. A key feature of this strategy is the desire to improve South-South relations and to strengthen the role of developing countries in international affairs.

The growth in China's influence in Africa is taking place at a time when there is considerable scepticism among Africans about the policies of western governments towards their continent. A dominant view in Africa is that the continent is losing out, with the world's rich countries accumulating wealth at its expense by exploiting its natural resources and enforcing a distorted international economic system. Strengthened co-operation with China is seen by some within Africa as a means for improving Africa's development prospects.

Current trends in China-Africa co-operation

China's own natural resources can neither meet an ever-increasing domestic demand nor sustain China's dramatic economic growth. By 2010, it is estimated that domestic crude oil production will only be able to meet 51-55 per cent of Chinese demand and only 34-40 per cent by 2020, while domestic iron production will only be able to meet 38 per cent of demand by 2010, and just 29 per cent by 2020. It is anticipated that, by 2010 and 2020, the shortage of coal will reach 250 million and 700 million tons respectively (Ning 2005). In light of these projections, China is looking to Africa to meet some of its short-, medium- and long-term needs.

As a continent, Africa is blessed with an impressive endowment of mineral wealth, including near-global monopolies of platinum, chromium and diamonds, a high proportion of the world's gold, cobalt and manganese reserves, and extensive reserves of bauxite, coal, uranium, copper and nickel (see Table 5.1).

Table 5.1. Africa's mineral reserves versus world reserves

Commodity	Africa (reserves)	World (reserves)	Africa relative to world (%)
Platinum group metals (t)	63,000	71,000	89
Diamonds (million carats)	350	580	60
Cobalt (t)	3,690,000	7,000,000	53
Zirconium (t)	14	38	37
Gold (t)	10,059	35,941	28
Vanadium (t)	3,000,000	13,000,000	23
Uranium (t)	656	4,416	15
Manganese (kt)	52,000	380,000	14
Chromium (1000t)	100,000	810,000	12
Titanium (kt)	63,000	660,000	10
Nickel (kt)	4,205	62,000	7
Coal (mt)	55,367	984,453	6

Source: Jonah (2005)

Africa accounts for seven per cent of the global total of estimated proved oil reserves (EIA 1999). It is predicted that, by 2010, the Gulf of Guinea will contribute at least one barrel out of every five new barrels to the global market (Smith 2006). The bulk of this oil production will come from Angola and Nigeria (see Table 5.2). Africa also contains substantial quantities of the world's remaining natural gas reserves. These resources attract China to Africa.

China's Africa Policy, published in January 2006, and the Addis Ababa Action Plan 2004-2006, agreed at the second meeting of the China-Africa Co-operation Forum, in 2003, emphasised the need to intensify co-opera-

Table 5.2. Oil production in Sub-Saharan Africa by 2010 (thousands of barrels/day)

Country	2000	2005	2010
Nigeria	2,040	2,555	3,500
Angola	750	1,100	2,050
Chad	0	35	390
São Tomé & Princípe	0	25	350
Equatorial Guinea	118	350	350
Congo (Brazzaville)	283	222	197
Gabon	271	204	134
Cameroon	116	72	68
Côte d'Ivoire	7	55	85
Democratic Republic of Congo (DRC)	25	35	28
Mauritania	0	0	125
Guinea Bissau	0	0	250
Total	3,610	4,866	7,527

Source: Smith (2006)

tion on natural resources exploration according to the principles of mutual benefit, reciprocity and sustainable development.

As Ofon highlights, China currently derives a quarter of its oil imports from Africa, through its oil operations in Algeria, Angola, Chad, Sudan, and its increasing stakes in Equatorial Guinea, Gabon and Nigeria (Bajpaee 2005).

For example, oil exploration rights were established in the Sudan in 1995 by the China National Petroleum Corporation (CNPC), through ownership of a 40 per cent stake in the Greater Nile Petroleum Operating Company. With the opening of a new pipeline in April 2006, production has increased from 300,000 to 500,000 barrels per day. Another Chinese firm, Sinopec, is constructing a 1,500-kilometre (932 miles) pipeline to Port Sudan on the Red Sea, where China's Petroleum Engineering Construction Group is building a tanker terminal. China has invested more than US$8 billion in oil exploration contracts in Sudan so far (Brookes and Shin 2006).

In Nigeria, the China National Offshore Oil Corp (CNOOC) has acquired a 45 per cent working interest in an offshore oil mining licence for US$2.268 billion in cash (Brookes and Shin 2006). CNPC has also invested in the Port Harcourt refinery, while PetroChina is interested in the Kaduna refinery.

Similar investments have been made in Gabon by Sinopec and Unipec through joint ventures with Total, while Pan-Ocean exploits the Tsiengui on-shore basin and is associated with Shell to explore Awokou-1 (ibid). Gabon now sells one fifth of its annual oil output to China.

Another deal that has attracted the attention of the international community is the US$2 billion Chinese-Angolan co-operation agreements (Afrol News 2006). These general agreements focus particularly on enhancing China-Angola co-operation in the oil and gas sector, as well as in the mineral resources sector. Three concrete oil agreements were signed, whereby Sonangol, Angola's state oil company, agreed to supply oil to China's Sinopec oil company. This was supplemented by agreements for Sonangol and Sinopec to jointly evaluate Angola's offshore Block 3, and to study plans for the development of a new oil refinery in Angola.

In addition, the agreements foresaw co-operation between the Angolan Ministries of Petroleum, and Geology and Mining, and China's National Commission for Development and Reform, focusing on technical aid.

While Chinese oil deals have captured the world's attention, much less is being said about China's demand for main base metals such as aluminium, copper, iron ore, nickel, zinc and other minerals. In the Democratic Republic of Congo (DRC), Feza Mining (a joint venture between the Chinese company Wambao Resources Corporation and some Congolese businessmen) is constructing a pyrometallurgic plant, which should produce 1,000 tonnes of pure cobalt per year, according to the

DRC's Ministry of Mines. In Zambia, China has invested nearly US$170 million in the mining sector, focusing primarily on copper (Lyman 2005).

In Gabon, a Chinese consortium, headed by China National Machinery and Equipment Import and Export Corporation (CEMEC), has been granted sole rights to exploit huge, untapped iron ore reserves, and to build the costly rail links needed to reach them. This has been at the expense of the world's leading iron miner, Companhia Vale do Rio Doce (CVRD) (TerraDaily 2006).

Features of Chinese investment in Africa

China's approach to Africa has several distinct characteristics. A key feature is the strong link between the Chinese Government's foreign policy objectives and the role played by Chinese enterprises. By the end of June 2003, the Chinese Ministry of Commerce had given approval to 602 Chinese enterprises to invest around US$1.2 billion in Africa. The number of enterprises has now risen to at least 800 (Triesman 2006). The range of activities that these companies are engaged in varies from trade, processing, manufacture, communication, transportation, roads and agriculture to resource development.

For example, in Angola, China's initial US$2 billion deal contributed to the rebuilding of national roads, the building of a new airport on the outskirts of Luanda and other major infrastructure development projects. In addition, a US$69 million agreement between Angola's MundoStartel and China's ZTE Corporation was agreed. And the Angolan Council of Ministers have approved broader ZTE operations in the country, which means an investment of US$400 million by ZTE, of which US$300 million will be used to modernise and expand Angola Telekom, developing the telephone networks in Angola.

According to the Angolan Government, the remaining US$100 million is to be invested in military communications, the development of a mobile telephone factory and the creation of a telecommunications training institute for Angolan employees (Afrol News 2006).

What are the implications for Africa?

Chinese investment on the continent is undoubtedly producing some positive impacts in Africa. China is helping African countries to rebuild their infrastructure, and is providing other types of assistance in agriculture, water, health, education and other sectors of the economy. This could lower transaction costs and assist African governments to address key challenges, including poor health services, energy security and skills development. As others in this collection have noted, increased Chinese demand for raw materials has also led to an upsurge in commodity prices, putting extra cash in the coffers of many resource-dependent economies.

However, African countries need to use this windfall effectively. This means investing heavily in education and training, diversifying the economy and strengthening administrative and governance systems, including political, economic and corporate governance.

There are concerns about Chinese construction projects. In some cases, the ratio of Chinese expatriates to locals, contracted in Chinese-funded projects, is as high as 70 per cent Chinese to 30 per cent local workers. This may be due to the lower costs or increased efficiency of Chinese workers, rather than a conscious effort to undermine local workforces. But this practice does not help Africa address its high unemployment and poverty levels. Nor does it assist Africa's private sector to grow both technically and financially. Instead, it might reinforce African dependence on external assistance.

As Kaplinsky points out, there is a danger that China's growing role could aggravate Africa's 'resource curse'. Africa's heavy dependence on natural resources is exacerbated by weak administrative systems, poor revenue generation, management and disbursement capacity, and weak legal systems. This situation is further compounded by the lack of adequately skilled and trained personnel who are needed to translate Africa's natural resources into the development of the continent and its people.

Building better governance in Africa

To signify the AU's commitment to high standards of political, economic and corporate governance, the organisation adopted the Declaration on Democracy, Political, Economic and Corporate Governance in July 2002. This recognises 'good economic and corporate governance including transparency in financial management as essential pre-requisites for promoting economic growth and reducing poverty'. The African Peer Review Mechanism (APRM) was created simultaneously, to ensure that the policies and practices of participating states conform to the agreed political, economic and corporate governance values, codes and standards contained in the Declaration.

The African Peace and Security Architecture of the AU puts particular emphasis on the relationship between natural resource management, development and security. It highlights the need for some minimum standards for the management of natural resources, particularly in areas affected by, or emerging from, or at risk of, violent conflict. A consultative process to develop these minimum standards is underway.

Underpinning Africa's new development vision is a commitment to a changed relationship with international partners, based on the principles of mutual accountability, respect and benefit. In this context, the Africa Partnership Forum is a key body, composed of Personal Representatives of the NEPAD Heads of State and Government Implementation Committee, and of G8 and OECD countries. The forum's core objective is to create a platform for policy dialogue and mutual accountability between Africa and her development partners.

The international community has also invested a lot of effort and resources into fostering good governance in Africa's natural resources sector. The Kimberley Process, the Extractive Industries Transparency Initiative (EITI), the United Nations Global Compact, and various other codes and standards have been discussed and adopted at various forums. But progress on these initiatives has been slow so far.

Unfortunately, only Angola, Cameroon, Chad, Republic of Congo, Democratic Republic of Congo, Gabon, Ghana, Guinea, Mauritania, Niger, Nigeria, São Tomé and Príncipe and Sierra Leone have signed up to the EITI Principles to date (and many have not fully implemented these principles yet). The remaining 41 countries, including some of the most stable democracies on the continent, such as Botswana, Namibia and South Africa, have kept their distance. And, even in countries where progress has been made, the pace of change is still sluggish.

This approach reflects a sense that the EITI and other initiatives lack the necessary political legitimacy within the continent, as they are seen as having been largely externally developed and driven. This makes it essential in the future to ensure that African governments and civil society are more closely involved in the formulation of these international initiatives.

The way forward

There are three priorities for action. Firstly, Africans themselves need to improve the quality of their natural resource management. Initiatives such as the EITI are important, but they cannot take place in a vacuum. They should not be separated from broader attempts to promote good governance on the continent. The critical challenge confronting Africa is to strengthen the institutional capacity of the state, including the legislative and regulatory frameworks to protect against unscrupulous and opportunistic behaviour. The various AU initiatives described in the previous section should be strongly supported in this context.

Secondly, international partners should prioritise support for Africa's own initiatives for good governance and better management of natural resources, rather than initiate and implement their own parallel processes. The EITI and similar initiatives are not a substitute for broader efforts to strengthen Africa's own institutions.

For example, the international community should help strengthen the monitoring and oversight role of public institutions, particularly those charged with enforcing the rule of law and financial management, such as national parliaments, the judiciary, auditing agencies and revenue collection services. The recently established Investment Climate Facility for Africa could also provide an important vehicle for improved co-operation with Africa.

Thirdly, there are implications for Africa's relations with China, too. China is currently not a member of the African Partnership Forum – it should be invited to join. Moreover, China's focus on strengthening bilateral relations with individual African countries could undermine what NEPAD and other initiatives seek to achieve. It is important that China's actions strengthen rather than weaken these African-led and international initiatives. This is best encouraged through sustained and constructive dialogue between Africa, China and other international partners. The overarching objective should be to ensure that Africa's natural resources are managed in an effective and sustainable manner for the benefit of the people of the continent.

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6. Arming and alarming? Arms exports, peace and security

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In the short term, China's impact on peace and security in Africa is likely to be damaging. Positive steps, such as increased contributions to peacekeeping forces and support to the African Union, are limited, in comparison to the negative impact of arms transfers to conflict zones, support for repressive regimes, and China blocking UN resolutions on Darfur. China has used arms to ensure access to vital resources, such as oil. But China may yet make a more positive contribution to Africa's stability, if its investment leads to indigenous growth, and if it begins to promote greater stability in order to improve the predictability of its access to resources.

China's arms exports to Africa

Assessing Chinese arms exports to Africa is not easy. China's transparency regarding arms transfers is poor: China has failed to declare its arms exports to the UN register of conventional arms since it withdrew from the register in 1998 in protest at US reporting on exports to Taiwan.

According to US Congress figures, in the period 2000-2004 China was Africa's third largest arms supplier after Russia and Germany, with 6.8 per cent of the market and exporting US$200 million worth of arms.

Other US figures state that, between 1997 and 1999, China delivered US$535 million of arms to Africa, most of which went to Algeria, Uganda, the Democratic Republic of Congo (DRC) and Zimbabwe. The overall figure was similar to US exports, but half that of Russian exports. For 1989-1999, China exported a total of US$1.3 billion in arms to Africa; the figure for the US was US$2 billion; for the UK, US$500 million; and for the USSR/Russia, US$7.6 billion (US State Department 2003).

Figures from the Stockholm International Peace Research Institute (which considers transfers of major conventional weapons) and the Norwegian Institute on Small Arms Transfers (which looks at small arms and light weapons transfers), set out in the table in Annex 6.1, indicate that many of the transfers between 1995 and 2005 were of small arms – which are the primary weapon in many conflicts in Africa. The Small Arms Survey estimates that China exported at least US$100 million worth of small arms globally in 2001, making it the fifth largest exporter (Small Arms Survey 2004).

Overall, the data does not imply that Chinese exports to Africa are increasing, and it is certainly not the biggest exporter. The monetary value of exports for 2000-2004 is less than it was for 1997-2000, when the value was US$600 million (CRS 2005). Chinese arms exports to Africa accounted for only around seven per cent of Chinese arms exports to the developing world (the larger recipients being in Asia and the Middle East) (CRS 2005).

But these figures reveal almost nothing about the actual impact of particular weapons transfers. There are real concerns about China's willingness to export to countries like Zimbabwe and Sudan, where there is violent conflict and human rights abuses, and about China's lack of concern as to how its arms exports will be used.

China has become the Mugabe regime's most important international supporter. A US$120 million deal, agreed in 2005, to supply Zimbabwe with six combat/trainer aircraft followed Britain's refusal to sell spare parts for Hawk aircraft in service in Zimbabwe (information supplied by SIPRI). A further 12 fighter jets and 100 military vehicles from China were reported to have been delivered in early 2005 (Taylor 2005; McLaughlin 2005). China has also reportedly provided a radio-jamming device for a military base outside Harare, preventing independent stations from broadcasting during the 2005 election campaign (McLaughlin 2005).

Sudan is China's closest ally in Africa, and possibly its most important source of oil. According to SIPRI, the most recent Chinese export of sophisticated weapons to Sudan was the delivery of six or seven F-7 fighter aircraft in 1997. Other reports suggest that, since 2000, Sudan has obtained 34 new fighter jets from China, and that the Sudanese air force is equipped with US$100 million worth of Shenyang fighter aircraft, in addition to the F-7 jets (Taylor 2005; Smith 2002). China has sold gunship and transport helicopters, and military trucks to Sudan, which have been used in attacks on civilians, most recently in Darfur (Amnesty International 2006).

China has also helped many states to build their arms production capacity. China has built three arms factories in Khartoum, Sudan. An arms factory in Nakasongola in central Uganda was established in 1995 with the assistance of Chinese companies. And, according to the UN Mission in the DRC, this factory was involved in at least one consignment of small arms and ammunition to Eastern DRC in 2003, intended for an armed group in the Ituri District (Amnesty International 2005).

Amnesty International's recent report on China and the arms trade refers to MONUC evidence that 'Chinese AK-47 assault rifles are common among soldiers, militia and fighters of armed groups' in Eastern DRC – the centre of a civil war that has claimed over four million lives since 1998 (Amnesty International 2006).

A recent report in the *Washington Times* suggests that Chadian rebels who came close to overthrowing the government in April 2006 were using Chinese weapons, probably coming through Sudan (see also Amnesty International 2006). The leader of the Chadian rebels, Muhammad Dour, is reported to have worked as a consultant to various Chinese oil companies in the 1990s. Cartridges found at the site of a massacre in Gatumba refugee camp in Burundi in August 2004 show that the guns were made in the 1990s in China, Bulgaria and Serbia (IANSA 2004). In June 2006, Dutch courts found Dutch arms dealer Guus van Kouwenhoven guilty of violating a UN arms embargo on Liberia by facilitating the exchange of Chinese weapons for Liberian timber.

China's arms export control mechanisms also leave much to be desired. Moves to improve controls have been insufficient. Certainly, Chinese leaders are paying more rhetorical attention to small arms export controls. The Beijing Declaration, issued at the first China-Africa Co-operation Forum in October 2000, explicitly stated that China would strengthen its co-operation in stopping the illegal production, circulation and trafficking of small arms and light weapons (SALW) in Africa. Chinese officials say that, since then, 'China has constantly intensified cooperation with Africa against illicit proliferation, transfer and trafficking of SALW' (Zonghuai 2005).

China issued its first publicly available export control regulations covering military products in 1997. This was more transparent than previous laws, codifying China's export principles and adopting some international export control standards. But there were a number of weaknesses, not least the failure to include a list of specific military items controlled under the regulations, resulting in uncertainty about which items are covered (Medeiros and Gill 2000).

The 1997 regulations were revised in October 2002. These again failed to list specific military items, while stating that 'military product export should proceed under the following principles: being useful to the self-defence capability of the recipient country; being not harmful to the peace, security and stability of the relevant region of the world; staying hands off the recipient country's internal affairs' (SIPRI 2002).

These regulations are extremely vague. According to Amnesty International, they fall 'way below those in most international arms controls agreements' and they fail to clarify 'what constitutes a breach of the regulations or the guiding principles, which international treaties are considered or how they should be applied and will be monitored' (Amnesty International 2006: 27).

A Chinese White Paper on Arms Control was published in September 2005. This paper states that international mechanisms for arms control should be 'maintained, further strengthened and improved' and that 'firmly combating illegal activities in the field of small arms and light weapons is of great importance to maintaining regional peace, stability and development, fighting terrorism and cracking down upon such transnational organized crimes as drug-trafficking and smuggling' (Small Arms Network 2005: 6). Beyond that, the White Paper and other speeches by officials are very short on specifics.

China also lacks controls on licensed production in other countries, and appears uninterested in evaluating the risk of diversion or problematic end-use.

Beijing's motives

As with any arms exporter, China's arms trade is, in part, motivated by profit and foreign exchange earnings, but there are a number of other important motivating factors.

The military sector has had a key role in Chinese economic modernisation: arms exports have helped to finance national research and development efforts, while participation in international markets has provided a stimulus for technological improvement in Chinese weapons capabilities (Byman and Cliff 1999). Since the mid 1990s, China's principal focus has been advancing a significant military procurement programme aimed at modernising its own military forces – rather than selling arms (CRS 2005). However, since China's largest arms markets are in Asia and the Middle East rather than Africa, it would appear that the primary motives for China's arms exports to Africa may lie elsewhere.

Arms exports have to be seen in the context of China's expanding trade with Africa, and, in particular, its appetite for Africa's natural resources. As others in this collection have highlighted, in exchange for access to oil and other resources to fuel its growing economy, China has stepped up bilateral relations with a number of resource-rich states. Arms deals have played a role in this (Zweig and Jianhai 2005). Of the six recent recipients of sophisticated Chinese weapons (that is, aircraft), two – Nigeria and Sudan – are major oil producers, with whom China has important oil agreements, while a further three – Namibia, Zambia and Zimbabwe – are rich in other minerals.

Arms deals, as well as soft loans, are an important tool in cementing relations. For example, in September 2005, China agreed to sell 12 fighter aircraft and missiles to Nigeria, Africa's largest oil producer, following a US$800 million oil sales agreement, signed in July 2005, setting in motion an annual purchase by China of 30,000 barrels a day for five years. China also won a licence to operate four of Nigeria's oil blocs, and has been reported as considering US$7 billion in investments in Nigeria (Lyman 2005). And, in January 2006, it was announced that China had secured a 45 per cent stake in an offshore oil and gas field in Nigeria for US$2.3 billion – the China National Offshore Oil Corporation's biggest overseas acquisition so far (IRIN 2006).

Similar motives are behind China's support for the Sudanese Government – both in terms of arms and UN Security Council discussions. The China National Petroleum Corporation (CNPC) is the largest shareholder in the Greater Nile Petroleum Operating Company, which dominates Sudan's oil production. Some reports suggest that China bought 50 per cent of Sudan's oil exports in 2005, which works out at approximately five to 10 per cent of Chinese oil imports (Pan 2006; Goodman 2004).

Access to natural resources is not the only motivation, however. Arms exports help to cement relations with key states and shore up recognition for Beijing in its rivalry with Taiwan. China has, so far, not supplied significant arms to the five African states currently recognising Taiwan (these are Burkina Faso, Gambia, Malawi, Swaziland, São Tomé and Príncipe).

African states' support for China's human rights record may also help to divert attention from Beijing's abuses and international criticism. African votes were key, for example, in blocking resolutions at the then UN Commission on Human Rights condemning China's human rights record. Lastly, arms sales are a means of generally increasing influence and cementing relations, building China's profile as a superpower.

China's contribution to peace and security in Africa

In addition to its arms exports, China has also been criticised for providing other forms of support to governments in countries where there is conflict or serious human rights concerns. For example, Sudanese government forces are reported to have used Chinese oil facilities as bases to attack southern rebels near the oilfields, while Chinese-supplied helicopter gunships have been deployed in attacks against civilians, and are based at airstrips controlled by Chinese oil companies (Taylor 2005; Christian Aid 2001).

In April 2006, Sudan opened a new oil pipeline, increasing output from 300,000 to 500,000 barrels a day, and which supplies tankers bound for China. A few days after the inauguration ceremony, China abstained in a UN Security Council resolution imposing a travel ban and asset freeze on four Sudanese accused of committing atrocities in Darfur (Hilsum 2006). China has watered down UN resolutions against Sudan over Darfur, while providing financial and military backing to Khartoum, as it uses proxy militias, such as the Janjaweed, to promote 'ethnic cleansing' in the region. China has oil interests in Darfur, and there are reports of thousands of Chinese company officials working in the region (Shichor 2005).

At the same time, however, other emerging trends in China's foreign policy signal increased interest in international and regional mechanisms for managing peace. China's contribution to UN peacekeeping troops has increased from 110 personnel in April 2002 to 1,271 in April 2006, moving it from 46th to 14th in the international ranking of troop contributing nations, and it continues to increase (UNDPKO 2006). Of those troops, 80 per cent are in Africa, with the largest contribution in Liberia, followed by the DRC. This places it well above countries such as France, UK, US, Germany, Russia and Canada, in terms of troop contributions.

China has also shown some interest in Africa's regional conflict management mechanisms. For example, it contributed US$300,000 to the African Union's Peace Fund in 2003, and then again in 2005. It has also contributed equipment to OAU/AU military observer forces (AU 2003).

Another potentially positive contribution is China's willingness to invest in infrastructure, often in places, such as Eastern DRC, where it is most needed, and where others are reluctant to become involved. It can, therefore, play a positive role in reconstructing war-torn countries. The benefit of this would be even greater if such projects employed more local staff, including ex-combatants, as part of their demobilisation.

Ultimately, the most positive contribution China can make to peace and security may be through its economic relationship with Africa. If that investment can be made in a way that provides the maximum benefit to Africa, including through the creation of jobs for Africans, then it may, in the longer term, help to counter the poverty, inequality and unemployment that currently create the conditions for conflict. However, at present, China's economic interests are too often linked to repressive regimes and arms deals. And, if China drives Africa deeper into natural resource dependency, through both its demand for its natural resources and its dominance in other markets, the end result for Africa could be further instability – particularly if China's actions also undermine governance and transparency.

Finally, there has to be an element of caution in assessing China's overall contribution to peace and security in Africa in isolation. Arms deals with Sudan and Zimbabwe, obstruction of international action on Darfur and other negative activities have rightly drawn criticism. But it would be wrong to claim that China is alone in having a negative impact on Africa's security. Many other countries export arms to the continent, and have insufficient controls to ensure those arms do not get into the wrong hands. Africa has found itself as the continent with the highest level of conflict because of the poverty, poor governance and inequality that have been driven, to a substantial degree, by the self-interested policies and actions of the developed world.

How should Africa and the international community influence China?

China's immediate impact on stability in Africa appears, on balance, to be a negative one, but, in the longer term, there is reason to believe this could change.

With regard to arms exports, it is vital for China to improve its domestic law on arms transfer controls. This should ensure that it is on a par with standards now established across a range of regional agreements, including within Africa itself, and in national best practice. This includes banning transfers that will contribute to serious human rights violations or breaches of international law, and improving reporting of transfers. In addition, China should support further improvements in regional (including East Asian) and international transfer guidelines, including the development and eventual adoption of an international arms trade treaty. It must then ensure it is effectively enforcing these laws and guidelines.

China must also support other international efforts to reduce the risk of conflict in Africa. This includes the 'responsibility to protect' populations from violence, which was recognised at the 2005 World Summit, compelling member states to act to protect populations from genocide and other forms of mass violence.

International and African organisations need to put all pressure possible on the Chinese government to comply with both the spirit and word of these initiatives. However, formal international initiatives will, ultimately, only be effective if powers such as China – but also many others including the UK, US, and Russia – are persuaded that it is ultimately in their interest to behave in a manner that promotes, rather than undermines, stability.

If China is reliant on a predictable flow of oil and other resources from Africa, it should have a long-term interest in stability. The role of international and African organisations may be to illustrate the benefits of greater stability to China and to make clear how China might contribute to achieving that in the long term. Such efforts will be all the more effective if China and other governments are aware that promoting long-term stability (through good governance, growth and development) is far more likely to be successful than relying solely on reactive security measures, such as peacekeeping or private security provision.

International, African and Chinese organisations working on peace and security should publicise the current impact of conflict on Africa's economy, and develop scenarios on its future impact; in the process they need to clearly illustrate how changes to China's policies can have a positive impact.

At the same time, African governments must lever China's interest in their resources and willingness to invest as a means of encouraging growth, development and employment for the population rather than exclusion and conflict. In a number of cases, China's investment has benefited governments and elites with little interest in the welfare of their populations – hence their interest in Chinese and other arms for use in internal conflicts and human rights abuses.

African governments, therefore, need to be held to account for their role in negotiating investments with China. Domestic and international civil society, including the press, can play an important role in demanding information on investments and their beneficiaries, and publicising them to promote transparency and accountability. This may be the most important contribution African civil society can make.

Annex 6.1. Chinese arms exports to individual African countries, 1995-2005

Recipient	Quantity/ type	Year of delivery	Value (US$)
Algeria	24 anti-ship missiles	2000-02	-
	Small arms	1996-98	$3.0m
Benin	Small arms	2001-02	Less than $0.1m
Botswana	Small arms	2000-02	Less than $0.1m
Burkina Faso	Small arms	2002	Less than $0.1m
Cameroon	Small arms	1995-2004	Less than $0.1m
Cote D'Ivoire	Small arms	1995	Less than $0.1m
DRC	Small arms	1998	Less than $0.1m
Djibouti	Small arms	1998-2002	Less than $0.1m
Egypt	80 trainer/combat aircraft	2001-05	$345m
	30 multiple rocket launchers	2004	-
	Small arms	1995-2004	$0.44m
Ethiopia	Small arms	1998-2003	$8.2m
Ethiopia/Eritrea	Various	1998-2000	Arms provided to both sides worth around $1bn during the 1998-2000 conflict (Shin and Eisenman 2005)
Gabon	Small arms	1996-98	$0.2m
Guinea	Small arms	1995-97	Less than $0.1m
Kenya	6 transport aircraft	1997	-
	Small arms	2001-03	$1.0m
Libya	Small arms	2001-02	Less than $0.1m
Madagascar	Small arms	1995	$0.2m
Mali	2 helicopters	2000	-
	Small arms	1999	Less than $0.1m
Mauritania	3 transport aircraft	1995-7	-
Morocco	Small arms	1998	$14.1m
Mozambique	Small arms	2002	Less than $0.1m
Namibia	4 trainer/combat aircraft	2001	-
	2 transport aircraft	1997	-
	Small arms	2000-02	$2.3m
Niger	Small arms	1998-2002	$1.2m
Nigeria	12 fighter aircraft	2005	$220m
	20 air-to-air missiles	2005	$32m
	Small arms	1997-98	$0.7m
Rwanda	Small arms	1998	Less than $0.1m
Sierra Leone	1 patrol craft	1997	-
South Africa	Small arms	1995-2004	$2.6m
Sudan	6 fighter aircraft	1997	-
	34 fighter aircraft	since 2000	-
	Small arms	1997-2004 (Taylor 2005; Smith 2002)	$2.9m
Tanzania	Small arms	1995-2003	$1.8m
Tunisia	Small arms	1995	$0.1m
Uganda	Small arms	1996-2004	$2.5m
Zambia	8 trainer/combat aircraft	2000	-
	3 transport aircraft	1996	-
	Small arms	2002	$0.2m
Zimbabwe	6 trainer/combat aircraft	Ordered 2005	$120m deal
	12 fighter jets/100 military vehicles	2005	$200m (Taylor 2005; McLaughlin 2005)
	Small arms	1995-2004	$3.6m

Sources: Unless otherwise stated: for large-scale weapons systems, SIPRI (www.sipri.se); for small arms transfers, the NISAT database (www.nisat.org).
Notes: 'Small arms' includes military weapons, pistols and revolvers, parts and accessories of military weapons, bombs, grenades and ammunition. A '-' indicates that there is no data available.

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7. From China with love, trade and guns: a human rights perspective on China and Africa

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The rapidly evolving China-Africa relationship presents both challenges and opportunities for Africa. Africa needs to embrace the opportunities offered by strategic partnership with China, while seeking to preserve and promote the continent's interests. Because of the nature of their agendas, human rights NGOs and trade unionists tend to focus on the downsides of greater China-Africa engagement, particularly where repressive regimes have sought to avoid western donor pressures for adherence to human rights, labour or environmental standards. But Africa's civil society will need new responses if it is to react more effectively to the challenges presented by China's growing role on the continent.

From China with love

On 26 April 2006, Chinese President Hu Jintao arrived in Nigeria to a red carpet welcome, at the start of a state visit that was part of his second African tour in two years. The Nigerian government pulled out all the stops to publicise the importance it attached to the visit. Military honour guards at a lavish airport welcome ceremony, and a state banquet, broadcast live on the national television network, preceded Hu Jintao's address to a joint session of the Nigerian legislature. He was only the fourth foreign head of state to be accorded this honour since the restoration of civilian government in Nigeria in 1999. His speech, calling for the strengthening of the 'strategic partnership' between China and Nigeria, received thunderous applause from the legislative chamber.

Hu Jintao stated that he was in Nigeria to 'increase mutual trust, enhance mutually-beneficial co-operation, advance common development, and forge a new type of China-Africa strategic partnership', and that China would like to expand 'win-win economic cooperation, increase cultural interaction, strengthen security cooperation, and maintain close coordination in international affairs' (Akunna 2006).

China's current engagement with Africa began to take shape after the 1949 revolution that brought Mao's Communist Party to power. From around 1950 to 1980, China provided considerable practical support to Africa's liberation movements. The 1980s heralded an end to Sino-African engagement based primarily on ideological or 'third world' solidarity, as Chinese development efforts were diverted inwards, in line with policies enunciated by Deng Xiaoping.

Through the 1990s, China increased its aid to African governments and resumed its earlier rhetoric of 'mutual respect' and 'concern for diversity'. In return, Beijing received recognition of its sovereignty over Taiwan and support in international organisations from African countries. As Ofon has shown, trade and investment links, particularly in terms of oil and natural resources, have also risen rapidly.

This is increasingly apparent in Nigeria. During his April 2006 visit to Nigeria, President Hu and his Nigerian host, Olusegun Obasanjo, signed an agreement in which Nigeria would give China four oil drilling licences in exchange for a commitment to invest US$4 billion in infrastructure. The state-owned China National Petroleum Corporation (CNPC) received a right of first refusal on four oil exploration blocs at future auctions, while China agreed to buy a controlling stake in Nigeria's 110,000 barrel-a-day Kaduna oil refinery and to build a power station.

Other agreements signed at the time included a US$500 million export credit from the Eximbank of China to Nigeria for infrastructure development, as well as a Chinese grant for anti-malaria drugs to help train Nigerians to control malaria and bird flu, and for co-operation in technology.

Trading places

The rapidly evolving China-Africa relationship is reflected in changing African perceptions towards China. For decades during the Cold War, the primary perception of China in much of Africa was as an ally against colonialism, neo-imperialism and western domination.

In the eyes of many Africans, the Tan-Zam railway project established China as a friendly power and ally against the apartheid regime in South Africa, and led to recognition of China's growing industrial and technological prowess. Chinese success in building a railway pooh-poohed by western experts was therefore a turning point in Sino-African relations. Scholarships that enabled several thousand African students to access higher education in China also enhanced China's image as a friend of Africa.

By the 1990s, the dominant image of China in Africa had changed from one of ideological ally to business partner and emerging economic colossus. The Chinese doctor or technical aid worker traded places with the Chinese entrepreneur or state corporation.

But perceptions of China among Africa's political leaders go beyond appreciation for its aid and trade. China as an 'alternative' political and economic model to western prescriptions appears to be a pervasive view among African politicians, intellectuals, civil society and the media. The end of the Cold War brought welcome changes, including the end of proxy wars fought on Africa's soil, and the liberation of Namibia and South Africa. However, the unipolar world that followed, characterised by western dominance, has been a source of great discomfort for some within Africa.

In this light, China's emergence as a major axis of global power is welcomed, in the hope that it may herald a return to global multi-polarity, in which Africa and other developing countries will have a greater role on the global stage.

China's breathtaking state-led development has also reinvigorated African critics of the Washington Consensus, and encouraged those who suggest that Africa should look to East Asia for inspiration. The *Daily Trust* newspaper unfavourably compares Nigeria's economic policy management with China, particularly Nigeria's adoption of economic reforms recommended by the World Bank and the IMF. It calls for Nigeria's leadership to draw lessons from China's experience with economic reform. According to the paper:

> China promotes the state-led gradualist reform agenda with remarkable social protection for the mass of potential losers, as opposed to Nigeria's 'shock-therapy' reform in which a few winners are indulged while the mass of losers are left bare. China did not pursue doctrinaire privatisation policy but encouraged state enterprises side by side [with] private enterprises with the eye on value-adding activities, employment creation and inclusive development.
>
> (*Daily Trust* 2006)

Development without democracy?

African civil society is deeply divided and ambivalent about western donor conditionalities and western political and economic models. Some have actively welcomed political liberalisation in Africa, and understand acutely that western donor conditionalities are often invaluable to securing reforms. African NGOs have often worked with western partner NGOs to pressure western governments into demanding political liberalisation from African governments as a precondition for further development assistance.

On the other hand, many of Africa's intellectuals and civil society actors perceive Bretton Woods-inspired economic reforms as having failed to reduce poverty in Africa. They note that many African governments have engaged in a political sleight of hand, adopting the absolute minimum in political reform. This has enabled western governments and aid agencies to justify continuing aid flows, even as African governments have vigorously resisted genuine democratisation. Prime examples include Yoweri Museveni in Uganda, Meles Zenawi in Ethiopia, Lansana Conte in Guinea and Idriss Deby in Chad. African angst over conditionalities is heightened by their external origins, which reinforce notions of powerlessness.

China's emergence as a major economic power in the 1990s, without democratic reforms or the adoption of economic policies typically recommended by the International Financial Institutions (IFIs), has, therefore, been of great interest to both Africa's rulers and ruled.

Human rights advocates and democratic actors in Africa may, therefore, find that their traditional arguments – that respect for human rights and political liberalisation lead to economic success – challenged. Some African governments may invoke the 'China paradigm' to justify the adoption of state-led economic policies coupled with intensified political repression.

For example, Hu's April 2006 visit to Nigeria coincided with the eruption of a long-festering political crisis. This was sparked off by the efforts of a major faction within the ruling Peoples' Democratic Party (PDP) to amend the constitution, altering the prescribed term limits to enable President Obasanjo to remain in office for at least a further term of four years, and possibly for another three terms. Efforts by the Obasanjo faction to dominate the PDP, through selective reregistration of party members and disenfranchisement of members of rival factions, led to serious divisions in Nigeria's politics.

Leading lights of the Obasanjo faction claimed that an absence of stability and visionary leadership were the principal cause of Africa's underdevelopment, and that it was those same qualities that had enabled Singapore and China to become contemporary economic miracles. The old debate about appropriate paths to Africa's development has, thus, been reignited by China's emergence as a major global power.

A central challenge for civil society in Africa over the next few years will be to prevent democratic reversals, or an intellectual rollback to the 1970s. It will be necessary to reinforce the legitimacy of democracy and human rights as the appropriate and effective path to Africa's development. Africa's human rights advocates could be well served in this effort by projections that India will surpass China's economic progress, thanks, at least in part, to a freer political and intellectual culture. As the largest democracy in the world, with long-standing ties to Africa, India's economic progress in the last decade could serve as an alternative model to China.

There is reason to hope that at least some among Africa's rulers will adopt a more nuanced understanding of China's rise without democracy. There may even be a realisation that the burgeoning Chinese middle classes will not accept indefinitely the prosperity-for-acquiescence deal offered by the Communist Party, and that China will, in the long term, evolve towards a representative form of government.

Furthermore, there is evidence of observers in Africa's media challenging wholly uncritical assessments of China's progress and its implications for democracy and governance. An editorial in the Nigerian broadsheet New Age notes that, 'The Chinese people have had to pay a heavy price in political repression and environmental degradation' (*New Age* 2006).

Free from reputational risk?

Human rights concerns about China's renewed engagement in Africa should, however, extend beyond intergovernmental relations. Some Chinese companies operating in Africa have been accused by human rights NGOs of violating employment and environmental rights in the communities in which they operate.

Human rights NGOs in Nigeria have accused the Chinese logging company WEMPCO of discharging untreated effluents into the Cross River in south-eastern Nigeria, damaging the health and livelihoods of local fishing communities. The company is also accused of colluding with local officials and law enforcement agencies to suppress local protests. The Chinese metalworking firm WAHUM operating in Lagos, Nigeria, has been accused by NGOs of discharging noxious substances into the air and systematic violations of occupational safety and health standards.

Western commentators argue that China's lack of domestic political criticism frees its government and companies from risks to reputation and other pressures that western companies operating in Africa are routinely exposed to. Whereas shareholders of western companies may be cautious about investing in state-led energy projects in African countries that rely on an authoritarian political climate, such issues have little visibility to the Chinese public (Melville and Owen 2005).

Over the last two decades, transnational networks between African and western NGOs have pressurised western governments and business in relation to human rights abuses and democratisation in Africa. Given that many African governments are increasingly turning to China for political and economic co-operation, it seems likely that this form of leverage by African activists and their western allies will be eroded.

However, there are areas of potential influence over Chinese policy, particularly relating to China's economic considerations. To date, Chinese industry has distinguished itself primarily for cost-efficient manufacturing. As Chinese companies move up the global pecking order and discover the considerable mark-up to be derived from possessing premium brands and intellectual property, they will seek to establish their own brands.

As global branding and reputation become more important to Chinese companies, they may become less willing to be associated with human rights abuses and repressive regimes in Africa and elsewhere. Chinese companies operating globally will thus become more vulnerable to 'naming-and-shaming' pressure from NGOs, particularly in western consumer markets.

The threat of violence directed at Chinese businesses and nationals operating in Africa might also compel China to be more careful in its associations with African governments. Militant groups in the Niger Delta issued threats against Chinese interests and nationals during President Hu's April 2006 visit to Nigeria.

A spokesman for the militant group the Movement for the Emancipation of the Niger Delta (which has previously kidnapped western oil workers and recently detonated two car bombs in the oil cities of Warri and Port Harcourt) criticised China for grabbing a US$2.2 billion stake in a Niger Delta oil field last year. He stated, in an email to news organisations, 'We wish to warn the Chinese government and its oil companies to steer well clear of the Niger Delta... Chinese citizens found in oil installations will be treated as thieves. The Chinese government, by investing in stolen crude, places its citizens in our line of fire' (Timberg 2006).

While the Chinese government may not have to pay much regard to domestic public opinion, it is historically very sensitive about its international image. China's abstention on a Security Council vote on Darfur in early 2006 should be cause for some guarded optimism. This suggests that China is not totally oblivious to the potential harm to its global reputation if it is perceived as the principal patron and protector of Africa's tyrants.

African NGOs can capitalise on this by co-ordinating actions and protests designed to embarrass the Chinese government at international forums, as well as greater advocacy in local and global media. This might prompt the Chinese government to reconsider its relations with countries where it has relatively marginal interests, such as Zimbabwe. Such tactics may be less effective against oil-rich target countries, such as the Sudan.

African civil society could also appeal to China's economic interests. Peace and stability cannot be secured in the absence of democracy and human rights. As Curtis and Hickson argue in their chapter, there is an important role for African civil society in holding China to its commitments in the Beijing Declaration, to tackle illegal arms transfers to the continent.

Going forward

China studies in African universities and research institutions should be encouraged by African governments, the private sector and civil society. In this respect, the pioneering introduction of Chinese language studies at the Nnamdi Azikiwe University, south-eastern Nigeria (with assistance from the Chinese embassy in Nigeria), and the work of the Centre for Chinese Studies at South Africa's Stellenbosch University are important developments. It is critical that civil society in Africa gives more thought to the implications of China's increasing role on the continent, particularly in relation to human rights and democracy.

African civil society should seek the support of western governments in raising concerns about governance and human rights in African countries where the Chinese government is deeply engaged with a repressive regime. African NGOs might also co-operate with their western NGO colleagues to mobilise threats of mass boycotts of Chinese-made consumer goods, for example in protest against China's arms exports to repressive governments in Africa.

African civil society should also bring pressure through the African Union for a parallel civil society forum, inclusive of business, labour and consumer groups, to be instituted at the triennial meetings of the China-Africa Co-operation Forum. This Civil Society Forum could bring together NGOs from China and Africa to enhance people-to-people relations, the exchange of ideas and perspectives, and to lobby their respective governments to address the social, political and environmental dimensions of China-Africa relations. In this and other forums, African, Chinese and international civil society should join together to argue that China's long-term economic interests are best served by promoting human rights, better governance and peace on the continent.

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8. Honour and shame? China's Africa ties in comparative context

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The expansion of China's links to Africa over the last decade has divided international opinion between those who view China as a new colonialist and those who depict her as Africa's benefactor. Western (US, UK, French) political forces and media are China's chief accusers, while China, with substantial support from some Africans, has mounted a spirited, if not always convincing, defence. Yet, there may be more similarities than first thought between China's role and those played by western governments in Africa, historically and more recently.

China needs Africa

China's links with Africa are driven by economic and political needs, cloaked in a rhetoric of mutual benefit. The degree to which Africa actually benefits from China's presence is a contentious issue, as others in this collection have highlighted. However, if looked at in comparative context, it is possible to see that China's wrongs may mirror those of some western governments.

Despite their differing domestic political structures, both China and western governments are leading forces in an international political economy that positions Africa as a resource-supplying continent. Chinese and western governments have behaved in many fundamentally similar ways in relationship to Africa.

China needs Africa for a number of different reasons. Primarily, China needs Africa's energy resources. Some 60 per cent of the oil production of Sudan, one of Africa's largest producers, goes to China, and supplies five per cent of China's oil needs. Angola and Nigeria each send a quarter of their production to China. In 2006, Angola surpassed Saudi Arabia as the largest supplier of Chinese oil imports.

As Rocha has highlighted, Africa is also a source of minerals, such as copper, cobalt and platinum, for China. These natural resources are especially needed by the foreign-financed enterprises that produce 60 per cent of Chinese exports. Any supply gap might set back economic growth and threaten 'social stability' in China.

The Chinese state uses foreign links with developing states to construct a sense of prestige in 'Chineseness'. One basis for this construction is the notion that China has many friends, particularly in the developing world.

When the PRC was proclaimed in 1949, Mao Zedong famously stated, 'Ours will no longer be a nation subject to insult and humiliation. We have stood up. Our revolution has won the sympathy and acclaim of the people of all countries. We have friends all over the world.'

While the legitimacy of the Chinese Communist Party (CCP) is largely based on domestic factors, party-state legitimacy also depends on an image of China as a great power and the Chinese as a people of commendable morality, worthy of friendship. With 53 of the world's 191 states, support from Africa plays an increasing role in building that image.

Yet, China's current leaders are also technocrats who practice neo-liberalism at home and realpolitik abroad. They see 'friends of China' as supportive governments, foreign investors, customers and suppliers – not ordinary people. The leaders of China believe that they can only secure commodity sources and develop markets for Chinese products by having strong ties to African states.

Politically, too, China cannot do without Africa. Most African states, unlike western countries, explicitly oppose Taiwanese independence (Xinhua 2006a, 2006b). Taiwan only has formal relations with five African states, and the diplomatic battle continues. China also needs African states' support in international organisations to fend off western criticism, enhance Chinese global soft power and to promote the idea of China as an alternative pole in world politics.

Explaining Chinese policy on Africa

Three institutions are central to formulating and implementing China's Africa policies: a CCP 'leading group', the Ministry of Foreign Affairs (MFA), and the Ministry of Commerce (MC). The CCP Central Committee's Leading Group on Foreign Affairs (Waishi Lingdao Xiaozu), headed by Party General Secretary and President Hu Jintao, shapes external policy and acts on key issues. Other leading groups deal with key countries, Chinese regions affected by international controversy, and hot spots: there are leading groups, for example, on the US, on Taiwan, Hong Kong and Tibet, and on the North Korea crisis.

While there is no specific leading group on Africa, the CCP International Liaison Department has a Bureau of African Affairs. The MFA Department of African Affairs also implements the top leaders' policies. One way it does this is through the China-Africa Co-operation Forum (CACF). Founded in 2000, and due to have its third high-level (heads of state) meeting in November 2006, the CACF has a Chinese 'Follow-up Committee' that brings together more than 20 PRC state agencies. Its Secretary General is Xu Jinghu, head of the MFA Department of African Affairs.

Other Committee Secretariat members come from the MC, two of whose departments, West Asian and African Affairs, and Aid to Foreign Countries, are especially vital to China's Africa policy. The MC also has a Research Institute for Foreign Trade and Economic Co-operation. Other ministries' sub-units do Africa-related work as well, including the Asia and Africa Section of the Ministry of Education's Department of International Co-operation and Exchange, the International Co-operation Departments of the ministries of Public Health and Agriculture, and the Ministry of National Defence's Foreign Affairs Bureau.

A host of research organisations study Africa. Research is carried out in government think tanks, such as the China Institute of Contemporary International Relations and the China Institute of International Studies; the State Council has a Development Research Institute of Asia and Africa, while the Chinese Academy of Social Sciences has an Institute of West Asian and African Studies.

There are African studies centres at about a dozen Chinese universities, most prominently Beijing, Xiangtan, Nanjing and Zhejiang Normal. Academic societies include the Asia-Africa Society of China, Chinese Research Society on African Issues, Chinese Society of African Studies, and so on. Longstanding public diplomacy NGOs also play a role, especially the Chinese Association for International Understanding, China Association for the Advancement of International Friendship and China Society for Afro-Asian Development and Exchange.

There is, thus, an elaborate network of institutions that inform the making of China's Africa policies. Indeed, there is a personal link with Africa within the Central Committee's Politburo: Foreign Minister Li Zhaoxing served for nine years in Chinese embassies in Kenya and Lesotho in the 1970s and 1980s.

An impoverished discourse

The Chinese government has recently promoted a litany of eight 'honours' and eight 'shames' said to glorify or disgrace China: love the motherland or harm it, serve or disserve the people, uphold science or remain ignorant, and so on. As Chinese activities in Africa have sharply increased, a similarly crude dichotomy has emerged with respect to China's policies on the continent.

US and UK politicians, as well as the media, often accuse China of predatory and unprincipled behaviour in Africa. For example, a late 2005 report of the US Council of Foreign Relations (CFR) dwelt on Chinese support for Sudan and Zimbabwe's regimes. It alleged that China was countering western pressures on African states to improve human rights and governance, and charged China with unfair methods in biddings for contracts in Africa.

In January 2006 a Chinese White Paper, 'China's African Policy', responded by saying that China's activities in Africa are benign, more helpful to Africans than those of the west, and based on political equality and mutual trust, economic win-win co-operation, and cultural exchanges (FMPRC 2006). The White Paper forms part of the Chinese effort to assure major powers that China's rise will be peaceful. This may be its chief function, given Chinese leaders' proclivity to privilege their relations with the west above all others.

The dichotomy expressed in this exchange is unhelpful. Many of China's activities on the continent, in fact, replicate recent western conduct that Africans often regard as harmful, even while both the west and China fail to recognise themselves in the practices of each other.

It should be remembered that China is not alone in supporting authoritarian regimes in Africa, and that western states do so, too, or have done so in the past. For example, the US has close ties to such longstanding petro-dictators such as Teodoro Obiang Nguema of Equatorial Guinea and Chad's Idriss Deby, as well as with key Sudanese officials. Some of the US's African allies display 'competitive authoritarianism', through questionable elections and repression of opponents. The US has a military relationship with 47 of Africa's 53 states, compared to China's seven.

What's more, Chinese influence has not distinctively corrupted African regimes. Most regimes were strongly tainted well before China enlarged its footprint in Africa. The Chinese are not uniquely destructive of Africa's environment either. They trade in illegal timber, but so do EU countries, especially the UK (World Wildlife Fund 2005).

To see China as single-handedly holding back African industrialisation is also to employ a double standard. Chinese textile exports to the world do inhibit African efforts, as the continent's producers often complain, and as Kaplinsky and others in this collection have highlighted. But efforts at African industrialisation were already severely undermined by structural adjustment programs (SAPs) imposed by western-controlled international financial institutions in the 1980s and 1990s, well before China came onto the scene. Critics of China's exports to Africa too often fail to acknowledge the negative impacts of SAPs, or of Africa's forcible opening to the free flow of commodities.

Nonetheless, China's claim to act responsibly in Africa is also problematic. The refusal of Chinese leaders to criticise repressive regimes does not serve the interests of Africa's people. Their silence is not merely to curry favour with authoritarian rulers in Africa, but also to distinguish China from western governments. China may provide a contrast, but, in doing so, it avoids its international obligations to protect fundamental human rights.

For Africa, Chinese practices that resemble those of western governments may mean disadvantageous terms of trade, exploitative extraction of resources, and oppressive labour regimes. Chinese factory and mine ownership, while still small-scale, is on a par with western practices that feature regimes of low wages and poor working conditions. The 2,000 miners at the Chinese-owned Chambishi copper mine, for example, are paid US$45 per month, hardly a living wage, even in Zambia.

Distinctive links

Despite the similarities between Chinese activities and the historic actions of western governments, there are aspects of Chinese policy that Africans regard as distinctive. These are, firstly, the Chinese model of development, and, secondly, issues around aid and migration.

With 800 Chinese-financed projects, valued at around US$1.25 billion in 2005, Chinese investment in Africa is still only one per cent of *actual* foreign direct investment (as opposed to the flow of new investment pledged by China to Africa) (Akosile 2006). But China's intended investments have risen very significantly, and it may soon be one of the three top investors, after France and Britain. Western FDI in Africa, which is large-scale and concentrated in oil, is much less diversified than China's.

Western oil firms pay royalties that sometimes line the pockets of officials, while China often builds infrastructure in exchange for oil. For example, to compensate for drilling licenses and a stake in a refinery in Nigeria (acquired in 2006), China will build a railway and power stations. These economic ties have spurred Africans to discuss a Chinese Model of Development, characterised by large-scale, state-led investments in infrastructure and support services. This has displaced discussion of the 'Japanese model', common in Africa in the 1990s.

Africans supportive of this model argue that China is not as wrapped up in extraction as western governments, and that Chinese firms invest in projects that benefit Africa. They point to China's construction of communications and transport infrastructure, and believe China's thirst for commodities and its low tariff regime will aid industrialisation, as will cheap Chinese imports. For example, an Angolan official has pointed out that 50 kilos of locally made cement costs US$10, but Chinese cement is US$4 (Donnelly 2005).

Talk of a Chinese model intersects with the widely discussed Beijing Consensus. Just as China has not directly promoted a 'Chinese Model' to developing countries, it has not touted a Beijing Consensus. The term was coined by an American: Joshua Ramo, a former Time magazine foreign affairs editor and Goldman Sachs banker in China.

Ramo describes the Beijing Consensus as featuring constant innovation as a development strategy, instead of neo-liberal orthodoxy. He says it uses quality-of-life measures, and not just GDP growth, to gauge development, opposes the hierarchy embedded in the Washington Consensus-related international institutions, and defends developing countries' national sovereignty (Ramo 2004).

To the extent that it exists, the Beijing Consensus would contrast with the 'Washington Consensus' approach to Africa that often provides for a large western role in overseeing African states' economic and foreign policies. It is as much an ideological position as a practice.

Aid and migration

The aid provided by western governments and international institutions is often tied to donor economic interests. For example, about 80 per cent of US grants to developing countries must be used to buy goods and services from US firms and NGOs. China's aid is not generally directly tied. Moreover, because Chinese aid often goes to infrastructure and not directly into recipient government accounts, it may be more difficult to siphon off.

China has also sent 15,000-20,000 medical personnel, more than 10,000 agro-technicians, and hundreds of teachers to Africa. Many Chinese have built or worked in factories, research stations, hospitals, and other useful facilities in Africa. Chinese construction projects on the continent, such as stadiums and government buildings, are often derided in the west. But China's investment in these projects reflects an understanding of Africans' aspirations for modernity and dignity.

Migration involving China and Africa is related to aid: without aid that enhances Africa's infrastructure and human resources, fewer Chinese would go to Africa to do business, and Africans would be less likely to go to China to study and trade. The Chinese population in Africa, estimated at 137,000 in 2001, is now perhaps three times as big and growing rapidly. Many Chinese work on infrastructure projects, for firms that win contracts because they are skilled, yet have low wage bills and profit expectations. In Ethiopia, Chinese companies usually expect a three per cent profit, while European firms seek 15 per cent or more. Some Chinese companies get their feet in the door first by working on projects that are not commercially profitable.

Most Chinese in Africa engage in small business and live much closer to local people than the 100,000 western expatriates on the continent. Thus, Africans, while viewing both Europeans and Chinese as 'whites', often see the Chinese differently. As a Tanzanian blogger has put it, '[The Chinese] are not just your average pale-skinned business person or 'investor'... These are the ones who take up abode in the popular and unsavoury neighbourhoods' (Tunduzi.com 2005). Chinese small-business people in Africa have created their own comparative advantage by taking risks and enduring hardship to service vast sectors of the population who cannot afford what large transnational and local firms have on offer.

Many Africans now go to China to do business, but most go to study on scholarship. More than 20,000 Africans have graduated from Chinese universities, the vast majority of them since the 1990s. Africans who study in China are a brain gain for Africa. That contrasts with the brain drain to western countries. In 2000, while the tertiary-educated were 3.6 per cent of Africa's population, they were 31 per cent of her emigrants to the OECD states.

Conclusion

For many Africans, China's non-prescriptive policies in Africa differentiate it from the principal western states, which are seen as imposing diminished growth, a huge debt and ongoing poverty through SAPs and other means. It is widely perceived that western governments use aid to compel compliance with economic and political conditions, while, at the same time, employing protectionism and supporting authoritarian rulers. Officially, at least, China celebrates Africa's culture and achievements. This, too, contrasts with a western view that depicts post-colonial Africa as 'the hopeless continent'.

It is unclear whether differences between Chinese and western approaches to Africa will last. China's policies will more likely align with those of the west than vice versa. That is by no means wholly positive, as some Chinese policies, especially those reflecting vestiges of her former socialism, appeal to Africans. Yet it is these vestiges that present a barrier to emulation by even 'progressive' western elites. Western states could only adopt the features of China's approach that may be useful to Africans if key tenets of the ideology now prevailing in the west were set aside.

In any case, western governments and media should employ a different language with regard to China and Africa. They should (implicitly if not explicitly) acknowledge that China is not distinctively unprincipled or threatening in its conduct in Africa. They should support African initiatives that seek positive changes in their economies and societies, including where those changes are underpinned by Chinese aid. This should include supporting African governments that seek to develop agricultural processing and industry: to export coffee and not just coffee beans; and to export smelt steel and not just iron ore. It may even be that western governments could adopt part of the alternative model offered by China, by re-evaluating some of the burdensome aid conditionalities they too often impose.

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9. How do we engage with China on Africa?

Leni Wild and David Mepham, ippr

The essays in this ippr collection have assessed the impact of China on Africa across a diverse range of issues. They have provided different perspectives, and there are some clear areas of disagreement between the contributors. However, they generally agree that China provides both opportunities and risks for Africa, and that Africa's relations with China need to be managed more strategically to maximise the benefits and minimise the costs.

In this brief concluding chapter, we suggest what this might mean for policy, and specifically for western policy. The chapter is structured around four broad propositions for engagement, and makes a number of concrete policy recommendations.

Proposition 1: It is *first and foremost* for Africa's elected governments, the African Union, African regional organisations and African civil society and private sector to develop their own strategies for dealing with China.

Within Africa, the debate about China is still evolving. Many African governments have developed good diplomatic relations with China in recent years, attracted by the potential benefits that may flow from Chinese investment, trade and tourism. Whereas Africa's external relationships were previously focused on western governments, particularly those with former colonial ties, the rise of China on the continent creates a new triangular dynamic, in which Africans may benefit from increased competition for trade, investment and even aid (Green 2006).

Some African governments approve of China's commitment to respect national sovereignty and not to interfere in the internal affairs of states. They see this as a welcome contrast to heavy-handed western conditionality. But, in many ways, Africa's own thinking on sovereignty and governance is more progressive than Chinese policy. The New Partnership for Africa's Development (NEPAD) and the African Union (AU) have both made strong commitments to democracy, better governance and the observance of human rights. And the African Peer Review Mechanism (APRM) involves African countries subjecting themselves to the scrutiny of their peers in relation to their performance on a range of key governance indicators.

Moreover, the transition from the Organisation of African Unity (OAU) to the African Union involved an explicit rejection of the idea of unconditional sovereignty. In place of the OAU's notion of non-interference, the AU has substituted the idea of non-indifference: an unwillingness to stand aside when gross human rights abuses are occurring on the continent.

Important elements of African civil society have also been critical of China's role on the continent. As Raphael Kaplinsky notes in his chapter, many African textile exporters have been disadvantaged by cheap Chinese clothing imports, and trade unions have voiced strong opposition to this. In places like the Niger Delta, Chinese investment in the oil sector has also been opposed by some local groups who are worried about the impact of China's investment on labour standards and the environment. And as Ndubisi Obiorah notes in his chapter, there is a general concern among African human rights organisations that some of Africa's more autocratic governments may use the Chinese example, and their growing economic and political relations with Beijing, to fend off domestic, regional and international pressure for democratisation.

There is a potential role for NEPAD and the AU in co-ordinating African responses to China. It is unlikely, and perhaps undesirable, that a single strategy for China will emerge. As this collection demonstrates, in different contexts and countries, differentiated responses are likely to be required. But some co-ordination of country level and regional strategies may be useful, and may help to ensure that ordinary Africans derive greater benefits from the continent's relationship with China.

There is clearly a vital debate still to be had within Africa about this relationship. The role of the west in this debate will be relatively marginal. But there may be a useful part that the west can play in supporting those areas of African civil society, including independent media, that are pressing for development, human rights, good governance and anti-corruption, and that will judge China's role in Africa against these criteria.

Western governments, companies and civil society can and should offer to help develop better governance in Africa and to strengthen African capacity to deal with a range of external actors, including China, on more beneficial terms.

The experience of Latin America suggests that an effective state can strike more favourable deals with external investors and ensure greater developmental benefits. As Lindsey Hilsum notes in her chapter, Brazil has a trade surplus with China, and the two countries are pursuing joint manufacturing ventures, unlike most African countries, which have large trade deficits with China. 'It should be standard practice for African states to insist that foreign investors put together a package of 'tie-in' projects that meet local development goals', including technology transfer and skills development (Alden 2006). Strengthening this kind of institutional capacity could be a useful focus of western support for better governance in Africa.

Proposition 2: There is a legitimate western interest in China's policies toward Africa

While it is *first and foremost* for Africans to determine their own relationship with China, there is a clear and legitimate interest in this issue on the part of western governments, companies and civil society, particularly in relation to undemocratic or repressive African states, and/or where China's actions are seriously damaging to the lives of ordinary Africans.

In the case of Darfur, for example, there is a pressing international responsibility on the part of outsiders to address this crisis and seek more effective protection for civilians living there. This includes exposing the negative role played by China in shielding the Khartoum government from stronger international action. In their chapter, Mark Curtis and Claire Hickson show that China has supplied Sudan with F7 and Shenyang fighter aircraft, as well as gunships, transport helicopters and military trucks, and that some of this equipment has been used in attacks on civilians in Darfur.

Similarly, in the case of Zimbabwe, China has become the main supporter of Mugabe's authoritarian regime, supplying Zimbabwe with combat/trainer aircraft, fighter jets and military vehicles. In addition, China reportedly provided a radio-jamming device for a military base outside Harare that prevented independent stations from broadcasting during last year's election campaign.

In these cases and others, it is wholly appropriate for western governments, civil society and other parts of the international community to raise concerns with the Chinese about the implications of their policies in Africa – though these arguments will often be better made by Africans. In terms of concrete policy recommendations, it is important that international pressure should be put on China to tighten controls over arms exports and military transfers, particularly where these would be used to abuse human rights, strengthen repressive regimes or exacerbate conflict. It is particularly important to hold the Chinese government to the commitments it has already made, including its declarations on tackling the illegal trafficking of small arms (FMPRC 2006).

Although China is not the biggest exporter of arms to Africa – and while western governments need to do much more to clean up their own act – there does need to be greater international pressure on China over this issue. Some European governments, such as France, have been pushing for a lifting of the EU's arms embargo on China. The operation of this embargo already has some flaws, with European governments offering different interpretations. Some have continued to allow the sale of a range of military and dual-use equipment to China (Amnesty International 2006). But rather than abandoning this embargo, its application should be strengthened until China makes real progress in improving its own human rights record and in tightening its controls over arms exports to other parts of the world, including Africa.

On Darfur, the Chinese should be pressed to use their influence with the Khartoum government to help bring about a peaceful settlement there. Sudan is the largest source of foreign oil production for China's national oil companies, and it was China's seventh largest supplier of crude oil in 2005 (Downs 2006). Given the size of China's economic interests in Sudan, it could have real leverage over the Khartoum government if it could be persuaded or pressured to use it.

As major supporters of development in Africa, it is also legitimate for western governments to think through more broadly what China's growing role on the continent means for western development policy. There is scope for complementary actions and initiatives (something addressed later in this chapter). But there are other instances in which China's actions are undermining the efforts of reformist Africans and progressive western donors to promote beneficial change in African societies.

Angola provides a clear example of this. In 2004 and 2005, the IMF and other international donors were pressing the Angolan government to improve the transparency of its oil sector and to make other reforms as a prelude to a planned donors' conference. However, by the end of June 2005, Angola was seen as making insufficient reforms, and the donor conference was postponed. China's offer to Angola of a US$2 billion soft loan (part of a longer-term aid package) is generally seen as a critical reason why the Angolans were less inclined to comply with international donor conditions.

This case and others like it raise serious questions about international donor efforts to promote greater revenue transparency in the natural resource sector, something that is vital if Africa's abundant resource wealth is to be used for the benefit of Africa's people. In policy terms, it suggests that China should be encouraged to engage with existing international initiatives relating to the equitable management of natural resources, for example the Extractive Industries Transparency Initiative (EITI). It is highly unlikely, in the short term, that China will implement the EITI – indeed, China is not a target country for the initiative, as it is not classified as 'resource rich' by the IMF. Instead, international pressure should focus on persuading China to become a 'supporter' country.

China could be encouraged to make public declarations of support to EITI and Chinese companies could be urged (by African and other governments, civil society and the private sector) to engage with EITI in the African countries in which they operate. Western multinational companies could also play a role, by engaging in dialogue or even joint projects with their Chinese counterparts, with a strong emphasis on corporate social responsibility principles.

Proposition 3: Western governments should deepen their dialogue with China on African issues, and explore opportunities for practical co-operation

At present, there are very few discussions between Africans, western governments and the Chinese government about African issues. For example, although Chinese Premier Hu Jintao was invited to the G8 Summit in Gleneagles, where Africa was high on the agenda, G8 leaders singularly failed to raise African issues with him. In most other recent meetings between the leaders of western governments and the Chinese leadership, Africa is lucky to be included on the list of agenda items.

Western donors and China instead have separate forums for discussing various issues with their African partners. The African Partnership Forum is a grouping of key African governments, western development donors and African and international organisations. It was established in 2003 at the Evian G8 Summit. Meanwhile, the China-Africa Co-operation Forum brings together China with African governments and business representatives. It has met twice previously: in South Africa in 2000, and in Addis Ababa in 2003. The third meeting of the Forum will take place in Beijing, in November this year.

One quick initiative for encouraging more dialogue between China and western governments on Africa would be to invite China to become a member of the African Partnership Forum, and to press for western and civil society involvement in the forthcoming China/Africa Co-operation Forum in Beijing.

But there are other opportunities for dialogue that should be pursued. One such opportunity is through the EU's relations with China. EU policy towards China is based on a Commission policy paper, *A Mutual Partnership: Shared Interests and Challenges in EU-China Relations*, which was endorsed by the European Council in October 2003. Relations with China have been pursued under three broad headings: political dialogue, including a specific dialogue on human rights; economic and trade relations; and the EU/China Co-operation Programme. While the EU has rightly attached considerable importance to the issue of human rights within China, this dialogue has not focused, to date, on the impact of China's external policy on human rights, including in Africa. It could usefully do so in future.

Another opportunity for dialogue arises from China's membership of the World Trade Organisation. Although the WTO is an organisation focused on trade issues, membership of such a body creates pressures and incentives on China to change some of its internal and external policies in areas such as the rule of law. According to some, 'China's entry also marks a milestone in its global behaviour – from one based mainly on power and ideology to one based largely on commonly accepted rules' (Chan 2003). This judgement is almost certainly premature, but there are some grounds for thinking that, over time, WTO membership may have wider knock-on effects on China's foreign policy, including on human rights.

In all of these forums, it is important to be clear about the nature of the dialogue envisaged and its likely impact. For the reasons already highlighted in this chapter and elsewhere in the volume, there are real criticisms that can and should be made of Chinese policy, particularly on human rights issues. A principled dialogue requires that these concerns should be raised with the Chinese political leadership and officials on a regular basis. But, at the same time, the style of western dialogue and engagement with China is also important. Demonising or denouncing China in strident terms is most unlikely to yield results. Firm and sustained pressure is more likely to do so.

While it is often asserted that the authorities in Beijing are impervious to external influence, there is some evidence to the contrary. For example, in October 1998, in part as a result of international pressure, China signed the International Covenant on Civil and Political Rights, and it ratified the UN Covenant on Social, Economic and Cultural Rights in 2001.

The Beijing authorities have also been affected, to a certain extent, by sustained international criticism of their policy towards Sudan, leading China to support a peacekeeping operation in southern Sudan, against its strong anti-interventionist instincts (Alden 2005). Moreover, under international criticism, the Chinese did not prevent the UN Security Council from granting the International Criminal Court jurisdiction over gross human rights abuses committed in Darfur (Roth 2006).

Beijing's concern for its global image, particularly in the developing world, may also create opportunities to influence Chinese policy. Obiorah argues in this collection that if Chinese companies wish to establish themselves as global brands, they will need to improve their own corporate governance and their own international image by adopting the same kind of commitments as western companies. In this sense, 'reputational risk' may lead to changes in China's external policy.

In 2000, for example, the Chinese oil company CNPC was considering listing itself on the US Stock Exchange. But negative publicity generated by human rights activists over its involvement in Sudan led CNPC to create a new subsidy, PetroChina, which was listed on the Stock Exchange, but received far less funding than expected (Alden 2005). In practical policy terms, this suggests the need for further encouragement and pressure on the Chinese to co-operate with international initiatives for promoting high corporate standards. Transnational human rights NGOs could play a useful role here.

It should be stressed that western policymakers, in their dealings with China over Africa, should not be seeking to impose 'western values' on China. On the contrary, they can and should support the efforts of Africa's own reformers to hold China to account for their commitments to the continent. China's new policy statement on Africa, published in January 2006, talks of a 'mutually beneficial' relationship between China and Africa, and greater respect for human rights (FMPRC 2006). However, the wider international community can also legitimately hold China to account for its international legal undertakings, for example its adherence to key international human rights treaties or the UN Convention against Corruption (it ratified this in January 2006).

At the same time, it will be important to appeal to China's self-interest. This means demonstrating that long-term stability, for Chinese energy security and investments overseas, can best be guaranteed through supporting initiatives that promote good governance and sustainable development. Corruption, maladministration or a lack of effective state infrastructure in resource-rich countries will have adverse effects on Chinese investments, as well as on the peoples within them. Chinese development assistance is already rumoured to be experiencing difficulties due to weak administrative capacity or deliberate disruption (Alden 2005).

Lindsey Hilsum's chapter also raises questions as to how viable investment in Zimbabwe is for China in the long term. To be effective, policymakers and civil society in Africa and around the world will need to appeal to Chinese interests, as well as to values.

Alongside this focus on deeper dialogue, western governments, companies and civil society should look for opportunities to co-operate with China on development or peacebuilding projects in Africa, in support of Africa's own development strategies.

Again, the EU may be a good forum for developing a more co-operative relationship. The Chinese have already expressed an interest in working with the Europeans on health policy, including the development of a malaria vaccine. And China has suggested joint EU/China training schemes in Africa and joint projects on infectious diseases like HIV/AIDS, building on China's extensive support for healthcare across the continent.

These ideas for co-operation should be explored further. The new EU-Africa Partnership for Infrastructure, for instance, might usefully engage with the Chinese. A total of €5.6 billion from the 10th European Development Fund (EDF 2008-2013) will support regional development in four priority areas: transport, energy, water, and information technology and telecommunication networks (European Commission 2006). Chinese expertise might make a useful contribution to these new initiatives (Lagana 2006).

This co-operation opens up opportunities to identify common interests and to co-ordinate responses to common problems, as well as ways of dealing with conflicts of interest. This is likely to be more successful than simple attempts to limit Chinese influence.

Individual development donors could strengthen their engagement with China in Africa, too. The UK's Department for International Development is considering the possibility of co-financing development activities in Ghana and Tanzania. In this context, it would be useful to press China, as an emerging donor in Africa, to agree to the Rome Declaration on Principles for Donor Co-ordination. Western co-operation with China on joint initiatives in Africa could help in getting Chinese state companies to adhere to emerging international norms on corporate responsibility, fiscal probity and transparency. The issue of co-operation with the Chinese in Africa should also be a focus for western NGOs: there is real scope for them to expand co-operation with Chinese civil society.

In recent years, China has become more engaged in supporting peacekeeping efforts on the continent. As Curtis and Hickson note in their chapter, China is now a bigger troop contributor to African peacekeeping than France, the US and the UK, and it has made financial contributions to the Africa Union's Peace Fund. These are developments that should be strongly encouraged. Working through the UN, there may be scope for increasing China's contribution to peacekeeping and peace building in Africa, particularly if the argument can be made that this promotes greater stability in Africa, something that is clearly relevant to China's longer-term economic interests.

Lastly, there might be important lessons that can be learnt from China's remarkable development experience. In just over a decade, between 1990 and 2001, the numbers living below the international agreed poverty benchmark (US$1 a day) fell by 165 million in China. In contrast, absolute poverty levels rose in Africa by 77 million. Again, it is primarily for African policymakers and civil society to identify useful lessons from these contrasting experiences. But western governments and donors can play a role too, supporting exchanges, bringing together governments, the private sector, think-tanks, research centres, NGOs and trade unions to share ideas and insights.

Proposition 4: The west should practise what it preaches on development, human rights and good governance

Too often in 'western' discussions about China's role in Africa, there is an underlying assumption that western policy is essentially progressive and Chinese policy essentially negative and damaging. But this is a serious oversimplification. As the contributors to this collection have argued, it is wrong to demonise Chinese policy: China's growing role on the continent is bringing substantial benefits, and could bring many more. Sautman and Yan argue in their chapter that there are also some similarities between western and Chinese approaches towards Africa.

The US Administration has called on China to become a 'responsible stakeholder' in the international system (Zoellick 2005). To some extent, the recommendations made in this chapter echo this sentiment. But China is not the only country that should act 'responsibly'. The policies of certain western governments and companies – both currently and in the recent past – leave much to be desired. The ending of those policies that currently disadvantage the continent would set the best example for China to follow. Three areas of particular concern are trade, corruption, and arms transfers.

While international trade could potentially bring huge dividends to Africa, global trade rules and the existing policies of some western countries are severely damaging Africa's development prospects and worsening the living conditions and life chances of many of its people. Agriculture provides two thirds of Africa's employment, half of its exports and over one third of its Gross National Income. But in spite of their free market rhetoric, most western countries provide very substantial subsidies for their agricultural sectors. These subsidies increase the volatility of agriculture prices and disadvantage African producers in their own and third country markets. Africa also suffers from tariff escalation, where western countries impose higher tariffs on processed imports than on unprocessed raw materials. For example, Ghana faces much higher EU tariffs on processed chocolate than on unprocessed cocoa butter or cocoa powder.

African exporters are further hampered by western imposed 'rules of origin'. These specify when a product can be said to have been produced in a certain country. The rules are intended to ensure that the goods imported under a particular trade agreement were genuinely produced in the country in question. However, when rules of origin are applied too restrictively they can damage Africa's trading opportunities (Mepham and Lorge 2005).

On corruption, western governments have taken some steps to reduce the contribution of their companies to this problem in Africa; but this action is still insufficient. The OECD Convention on Combating Bribery of Foreign Public Officials contains serious loopholes. For example, it does not address the bribery of private officials, including officials of political parties, and companies are not held responsible for the actions of agents or subsidiaries acting on their behalf.

The UN Convention against Corruption – an important international initiative to address the problem – has yet to be ratified by many western governments. Moreover, a large part of the problem lies with the low priority that western governments have generally given to this issue and, in particular, to bringing prosecutions.

In respect of arms exports to Africa, countries such as the US, France and the UK have exported more equipment to Africa in recent years than China. While some of this equipment is defensible, allowing legitimate governments to meet their legitimate security needs, other more questionable transfers have been approved. These would appear to breach the commitments made by many western governments to enforce tight controls over weapons exports to conflict zones or to regimes or groups that abuse human rights. And western governments have done far too little to address the problem of arms brokering and trafficking in Africa, in which western individuals are often involved.

In these areas and others, western governments should practise what they preach on development, human rights and governance, and change those of their policies that damage and disadvantage Africa. This will enhance their credibility with Africans and with the Chinese, and allow them to make a more useful contribution to the debate about China's role on the continent and the enormous challenges and opportunities that it represents.

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