China and Post-Millennium African Economic Development Strategy as a Non-Zero-Sum-Game

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Abstract

This paper will probe Africa's and China's historical trajectory regarding economic development. It analyzes China's and Africa's creative leap, particularly since the millennium, into a new paradigm, a new way of economic relationship totally different from that with the West. The focus is on analyzing China’s heavy economic investment in Africa based on the assumption that the relationship is mutually beneficial rather than being exploitative as some scholars suggest. The hypothesis draws from Decision Theory’s concept of a Zero-Sum Game. It is understood that in a two partnered non-zero sum game theory, one partner’s gain or loss does not necessarily result in the other partner’s loss or gain. In other words, a non-zero-sum game depicts the winnings and losses of all partners as not adding up to zero but rather as a win-win deal for both. The same scenario explains China’s heavy involvement in contemporary African economic development and the latter’s ready acceptance of the Middle Kingdom’s gargantuan investment ventures in Sub-Saharan Africa that pales those of former colonial countries and all highly developed democratic regimes of the West. This paper provides data for Chinese investment in Africa and its concomitant spinoffs for both stake holders. It highlights the economic development gains in Sub-Sahara Africa since the millennium, how much of it was spawned by China’s heavy investment, and what China expects in return. It also draws attention to great power rivalries that have ruffled the feathers of former colonial powers and other Western countries that construe the entire enterprise as a Sino-imperialist venture. The paper then tries to fetter out the cost-benefit to both partners in terms of Chinese investment in contrast to Beijing’s dire need for Africa’s abundant natural resources to keep running its unprecedented growth that has already made it the largest global economy purchasing power parity (ppp) wise, surpassing what had been hitherto an unchallenged economic powerhouse, the United States of America.

Introduction

In mainstream scholarly discourse, there is no distinction between Western and China’s economic involvement in Africa. For many Western analysts, both are construed as being imperialistic or neo-imperialistic (Habiyaremye, 2013). But for progressive African scholars, the economic relations with the Chinese signals the dawning of a new era (Parselelo, 2016). The dual West-China imperialism line of thought holds sway in spite of numerous facts to the contrary.

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2 A Paper Presented to the 9th International Conference on African Development held on May 29, 2016 at Addis Ababa University
Nevertheless, overall, Africa’s and China’s development continues to progress even as the latter’s economic advancement decelerates slightly (Womack, 2013).

The dramatic fact that China has made an economic leap and has shown the ability to rise in thirty years from underdeveloped status and abject poverty to an enormous global economic powerhouse has drawn the attention of many leaders in Africa. And, Beijing’s determined effort to develop Africa instead of simply exploiting its resources brought about a rapid paradigm shift in bilateral relations. For Africans, it was the first time that a foreign power’s relation was not predicated on parochial economic and political interests of one partner alone, for China considers its own development and advancement as being inexorably linked to that of Africa. China is in fact, a beacon not only to Africa’s but also to the entire Global South’s economic development strategy.

The Chinese have empathy for Africans for good reason: they were also victims of imperialism and neo-imperialism in the 18th to early 20th centuries (Berman, 1974). Thus, instead of being fearful that a technologically developed Africa would compete with their multinationals, they reached a conclusion that Africa’s development would be a dividend to both (Prabhakar, 2003). They correctly calculated that Africa with a population of over 1 billion, and with an exponentially growing middle class would afford them a huge market if developed. For China, the less developed both are the poorer they become. Its corollary, the more developed both are the richer they become also holds true in theoretical perspective. During the advent of the post-colonial era, North-South engagement was labeled Center Periphery relation whereas relation between the Global South came to be known as South-South relation (Marton & Matura, 2011; Sankore, 2005). Though, in both cases, there is an ingrained asymmetry. What is new about Beijing’s ontology is that South-South development in which one partner has more to contribute to the advancement of the other should proceed in concert so that in the long run, both will reach technological and economic equilibrium.

During the previous five centuries, the West controlled the economic landscape in its relationship with Africa. China, however, adapted itself to the system in a novel way. What created a lopsided relationship in the first case was that the Africans supplied natural resources including minerals and agricultural commodities in return for finished goods from their dominant partners (Prabhakar, 2003). No tangible development and technological spinoff issued from that relationship (Holslag, 2007).

Looking back and reflecting on the status quo ante, some scholars have gone out of their way to equate contemporary China-Africa economic relation with the 1885 European scramble for Africa (Alden, 2005). But, what drove the Europeans into colonial expansion into Africa was easy exploitation of the abundant mineral wealth made possible with territorial conquests of the continent, and the vast market it provided. The Berlin Conference of 1885 was aimed at legitimizing this voracious economic appetite of colonial Europe (DeLorenzo, 2007).

One thing that is clear in Western style discourse is that Africa’s historic trajectory is preset. Furthermore, China’s quest for African minerals and the attendant infrastructure development, exacerbated by heavy reliance on Africa by China for fueling its domestic industrialization needs,
have been construed as a new form of colonialism (Girouard, 2008). On the contrary, many African scholars see China’s growing interaction with Africa as a positive development Sanusi, 2013).

Many scholars of the West who look more critically at China’s involvement in the continent see simply a mirror image of Africa’s colonial past (Durden, 2012). Some who are moderate refrain from labeling the relationship imperialistic or neo-imperialistic, but nevertheless question whether China’s investment in Africa is really altruistic or truly a new avenue for South-South cooperation (Quinn, 2011). Both groups agree that, to some extent, the Chinese practice of importing unprocessed primary commodities from Africa and exporting manufactured goods to the continent exhibits an essence of neo-colonialism. They warn Africa not to open itself up to China, and that such a trade structure is likely to prevent African economies from upgrading their industrial sector (Mbeki warns Africa, 2006). This is of course wide speculation and is not supported by tangible evidence.

Africa has developed more since its symbiotic connection with China in the last ten years than during the previous centuries of colonialism and neo-colonialism. Despite this, some scholars have even gone to the extent of claiming that “[Africa] has now become de facto Chinese territory” (Burkam, 2001). The allegation continues with official support from Western governments. For example, during a tour of Africa in 2011, the then U.S. Secretary of State, Hillary Clinton, castigated China as a power bent on unleashing “new colonialism” on Africa (Law, 2006).

This accusation against China is not limited to Western politicians and scholars. Surprisingly, some prominent African statesmen who have been misinformed have also aired an alarm. Thus, the former President of South Africa, Taboo Mbeki, has gone out of his way to remind his colleagues that they should not forget the advent of the last several hundred years when the European imperialists unleashed on the continent blatant exploitation and enslavement, dominating it economically, politically, and psychologically. He then sternly warned African leaders to “guard against falling into a colonial relationship with China” (Rodney, 1973). The author believes that this is a totally misplaced myth and will attempt to prove why.

**The Setting**

Despite the most recent slowdown in its growth, China’s economic leap and its ability to rise in thirty years from underdeveloped status and abject poverty to an enormous global economic powerhouse has drawn the attention of many leaders in Africa. For a variety of reasons, China has shown a serious desire to export its methods of success to the least developed continent of Africa, and African leaders have been more than ready to jump from the tight clutch of the former colonial and imperialist powers into the uncharted orbit of the Middle Kingdom.

Much as the West dominated the economic landscape in its relationship with Africa, China decided to launch an entirely new system. It is true that in both cases there is a certain element of disparity; that is, there is a certain element of asymmetry. What created a lopsided relationship was that in both cases, the Africans supplied raw materials in return for buying finished goods from the stronger partner. But, it is hard to draw a parallel between European and Western relations with Africa and with China’s current relationship with the continent. What drove the Europeans into
colonial expansion into Africa was simply the abundance of mineral wealth that they aimed to secure by territorial conquests in total disregard of the needs of the African inhabitants of the day. The Berlin Conference of 1885 was aimed at legitimizing this voracious economic appetite. In the contemporary relationship, China benefits by acquiring the abundant natural resources of Africa including agricultural products, oil and base metals such as copper. Whereas, Africa gets not only finished goods at cheaper prices that the West cannot match, but most importantly, provides development loans at low interest or no-interest, technology transfer, and Chinese funded infrastructure development which is glaringly being seen in the myriads of roads, airports, railways, dams and electrical grids springing up all over Africa that transform even resource-poor, hunger ridden and derided as “basket case” countries such as Ethiopia into a rising North-East-African giant with double digit growth.

**Early Chinese Encounters with the Continent of Africa**

What was China’s relation with Africa while the Europeans were plundering it? The Middle Kingdom’s first contact with Africa has been traced as far back as 200 BC when China and Africa had trade relations through the Silk Road (Gamora & Mathews, 2010). It was the Chinese admiral Zheng He who, during the reign of the Ming Dynasty of the 15th century, led expeditions to Africa, nearly a century prior to the Portuguese arrival in India, by sailing around the Cape of Good Hope.

Zheng embarked from China in 1413 and a detachment of his naval contingent called on Egypt to the North and then traveled south to the east coast of Africa. The contingent visited the coast of present day Somalia and Kenya and advanced as far as the vicinities of the Mozambique coast (Levanthes, 1994). On his journey back to China in 1415, Zheng’s detachment was accompanied by ambassadors of over 30 countries, many of them from Africa’s riparian nations. The ambassadors met the Chinese emperor and returned upon the accomplishment of their mission. Zheng’s seven trips to Africa and the territories nearby went on until 1433 (Voyages of Zheng He, 2005). During this time, the Chinese never showed any interest in establishing colonial territories in Africa.

Ironically, Zheng, China’s seasoned diplomatic envoy, was rebuked by European historians for not carrying out what leaders of similar voyages of European merchant-adventurers carried out during the following centuries. The latter set up trading empires that would in time develop into colonial territories straddling the length and breadth of Africa (Lo, 2016). In terms of economic relations, during the Zheng’s visit with a fleet of 300 ships, Chinese porcelains, silk, and fabrics were exchanged for African aromatics such as myrrh and exotic African animals. No colonialism was ever anticipated. China still retains the unforgettable legends surrounding that famous peaceful naval crusade, and the diplomatic finesse that accompanied it. Instead of barbaric loot and wide scale devastation that was to accompany European incursions a century later, the Chinese of the early 1400s left behind an enduring message of peace and brotherhood regarding their motivations. In fact, the Chinese encounter with Africa in the 1400’s was a far cry from the experience under
European occupation: it was a peaceful foray of egalitarianism and respect of sovereignty and territorial integrity, and not one of conquest and plunder.

**China’s Economic Growth as a Beacon for Africa**

While Africa continued to suffer from the effects of its exposure to the IMF’s and the World Bank’s Structural Adjustment regime and the exploitative relationship with the West’s multinationals which kept it burdened with debt and poverty, China was economically booming. But there was a stop gap prior to this. This concerns the economic downturns that China suffered between the 1950s and 1970s which resulted more from the radical application of revolutionary programs such as *the Great Leap Forward* and *The Cultural Revolution* as well as a poor incentive mechanism in place than from the paucity of advancement potentialities (Lieberthal & Lardy, 1987). African countries that may lack these potentialities need to learn from China and gain new capabilities that could help them move forward unencumbered by faulty structural snags. China’s phenomenal performance came about following the modernization plans launched by Deng Xiaoping after the death of Mao Zedong in 1976 (Forster, 1992) and the successful containment of a radical group known as *The Gang of Four* which included Mao’s wife Jiang Qing, and her associates Wang Hangmen, Yao Kenyan, and Zhang Chunkier, high level officials some of whom rose through the party ranks during the violent period of the Cultural Revolution (Forster). Deng’s reforms known in general as “*The Four Modernizations*” unleashed an underlying economic capacity in China because the dynamic structure in the country had already been there.

China’s economic leap and its capacity to progress in thirty years from underdevelopment and abject poverty to a major global economic powerhouse drew the attention of many developing countries, particularly those in Africa. Beijing’s economic advancement seemed in fact miraculous: its annual GDP growth averaged 9.9% over a 30-year period since 1979. In 2010, China’s GDP growth reached 10.5 percent. This constituted one-third of the entire planet’s growth (Hasluck, 2005). While Africa’s growth averaged 5.2 percent between 2000 and 2013, China’s averaged 10.0 percent. Though China’s growth has recently tapered off, its level is still first-rate, particularly at a time when advanced economies in Europe are facing severe crises. China’s phenomenal economic growth within three decades has been undoubtedly remarkable. During that period, China has been able to raise an estimated 600 million people out of poverty. At the close of 2008, the poverty headcount dropped from 70 percent in 1984 to a mere 13 percent. The progress continued until poverty reached 10.2 percent at the end of 2012 (Ayanwu, 2014). If one considers the purchasing power parity (ppp), China has already become the largest economy on the entire planet. With a global market share of over 10 percent and rising, it has also become the largest exporter and manufacturer, and an ever more crucial engine of global growth. This is a unique development success story: providing valuable examples for Third World nations such as those in Africa who are eager to emulate Beijing’s dramatic rise. As the following graph shows, China’s percentage growth progressed from 2.5% in 1976 to between 8% and 11.5% between 1977 and 2016.
Without doubt, China’s economic growth within three decades has been remarkable. Indeed, despite its vast size and demographic advantage China needs global markets, suppliers and investment outlets, including in Africa. The World Bank stated in 2013 that China had moved up the rank of development thus becoming the world’s second largest economy and accounting for 9.5% of the World’s income (Anyanwu, 2014). There are several factors that contributed to China’s dramatic economic rise on the globe. One key factor that fueled China’s growth rate is international trade which was relatively open. China’s trade openness ratio hovered around 43 percent between 1984 and 2010. The second is vast public investment in infrastructure. Third is investment in human capital that increased overall productivity. For example, from 1992 to 2016, China spent at least 8.5% of its annual GDP on infrastructure development (World Bank, 2016). In absolute terms, this investment was vast, topping any other region or country in the world, including the United States, the European Union, Japan, Canada, and Australia.

China’s growth surge was transformed into considerable improvements in the standard of living of the Chinese people (World Bank, 2016). It is important to point out that in 1978, China’s per capita income was no more than one-third of that of Sub-Saharan Africa. The impetus for China’s economic growth is monumental. In three decades, China managed to pull its population from poverty to upper-middle-income status. Thus, it remains among the fastest growing economies in the world in spite of its apparent slowdown in the last couple of years.

Between 2015 and 2016, the Chinese economy grew at around 7%, which is by far higher than the growth rate of all Western countries including the United States and the European Union (World Bank, 2016). Furthermore, the economic essentials are still very robust in China, which has enormous financial reserves, macroeconomic stability, and a solid manufacturing base vital to sustained capital growth and economic transformation. That is why the Africans turned to China for inspiration (Adejumobi, 2015).
The decision by the IMF to include the Chinese renminbi (RMB) as an international reserve currency beginning in October 2016 has increased China’s chance of playing a key role in global trade and the country’s most recent decision to devalue its currency is bound to intensify Beijing’s aggressive export strategy abroad, thus making its exports cheaper and further available on the global markets with different qualities of goods – from the below par types afforded by the poor to the higher valued ones coveted by the middle class and the rich. This has already started to ruffle feathers in the West (El-Erian, 2016).

**China, Africa and Economic Development**

Many African leaders have already recognized that repeating the Chinese growth model is not a straightforward phenomenon. Unlike China, Africa is far from being homogeneous. It is a continent of 54 sovereign states with divergent institutional background and different socio-economic conditions. Nevertheless, there are common elements and lessons African countries can draw from the Chinese model. Africans can see the key role of the state, domestic savings and investment, the requirements for institutional reforms, technological adjustments and increased innovation efforts, and open trade policies with varied exports towards manufacturing, public and private partnership as crucial. These lessons are already being used by some fast-growing African countries to shape growth strategies appropriate for unique conditions. Just as China started far behind Western developed countries and surpassed many of them, Africa can learn from Chinese’s growth trajectory pattern, craft and use effective institutions, and introduce critical social and economic transformations and sacrifices to catch up to the West and China. For this, the continent has remarkable potential for sustainable development and gargantuan leaps forward. All Africans need to do is manage their resources skillfully. With that, some of what is now known as poor underdeveloped countries of Africa can end up being legitimate emerging markets that receive inflows of private capital and then serve as an engine of growth for others (El-Erian, 2016).

Africa’s economic growth prospects depend on domestic investment, but if it wants to compete, it must do more: it must try to match China’s domestic investment which is double that of Africa’s. Africa also must try to attract net official development assistance inflows; it must improve the quality of its governance, expand educational opportunities for its youth, and invest more in urban and rural human capital. Compared with China, Africa imports primarily more consumer goods than it exports. Except for Beijing that is just the reverse. Also, the structure of Africa’s exports is predisposed towards traditional primary commodity exports whereas China is now singularly focused on producing and selling manufactured goods.

The lynchpin of Sino-African relations is the *Forum on China-Africa Cooperation* (FOCAC) forged at the Ministerial Conference in Beijing in 2000. FOCAC has provided aid to Africa in many sectors particularly in agriculture, infrastructure development, and trade as well as human and natural resource development. It has helped with investment and aid the African countries have needed, and has offered debt relief particularly to needy countries. FOCAC has a multilateral platform for collective, pragmatic consultation and dialogue that were established cooperatively.
On the footsteps of the establishment of FOCAC in 2000, bilateral trade flows between China and Africa climbed to 200 billion in 2015. This is a huge jump from 5 billion US dollars recorded in 1995 that rose to 100 billion US dollars in 2009. Thus, China has now become Africa’s third largest trading partner behind only the United States and the European Union. During that period, China’s imports from Africa went up by a whopping 1,380 percent!

Since the formation of FOCAC in 2000, Beijing has waived more than 2 billion US dollars in debt of more than thirty African countries and trained more than 10,000 African personnel in both civilian and security sectors. China has granted zero tariff rates for 190 products exported to China from Sub-Saharan Africa, and has engaged in peacekeeping operations in the Democratic Republic of Congo. The Chinese government has offered about 1,500 scholarships every year for Africans to study in China, dispatched around 16,000 medical doctors to work in the countryside and deployed 700 teachers to work in rural schools across the continent. China pledged a multi-billion-dollar development package to Africa during the 3rd Ministerial Conference of FOCAC. The development fund has amounted to: 5 billion US dollars to encourage Chinese companies to invest in Africa; the setting up of 10 agricultural technology demonstration centers on the continent over the next three years; the dispatching of 100 senior agricultural experts; and the forgiving of all interest-free loans owed by the most heavily indebted and low development African nations that matured at the end of 2005.

Historically speaking, FOCAC is simply a continuum from the spirit of the Bandung Conference, which was held in Indonesia in 1955. In both instances, what the participating nations had in common was a shared colonial and neo-colonial history, and a perception of Western spawned white dominance over non-white peoples of the world including Africans, Orientals and Latinos. The purpose of FOCAC is to bolster China-Africa strategic cooperation in today’s world governed by economic globalization that ought to be stable and sustainable. FOCAC affords a unique diplomatic device to promote discourse among five score African nations and China. It facilitates the development of a common political and economic agenda, which will advance productive South-South cooperation for shared benefit.

The first Forum on China-Africa Cooperation (FOCAC) was held in Beijing from 10 to 12 October 2000. It was accorded high priority by Beijing and was attended by President Jiang Zemin and Premier Zhu Rongji of the People's Republic of China. More than 80 ministers from China and 44 independent African countries, many of them represented by heads of state, attended the conference. The Secretary-General of the Organization of African Unity (OAU), later the African Union, Dr. Salim Ahmed Salim was among the participants. Furthermore, 17 representatives from major international and regional organizations were in attendance. The Beijing Declaration of the Forum on China–Africa Cooperation and the Program for China–Africa Cooperation in Economic and Social Development were consequently delivered at this conference.

The second Conference was held in Addis Ababa starting on 15 December 2003. In attendance were Chinese Premier Wen Jiabao, six African presidents, three prime ministers including Mr. Meles Zenawi of Ethiopia, President of the Commission of African Union and a special representative of the UN Secretary General participated in the plenary session. More than
70 ministers from China and 44 African countries were also in attendance. This Second Conference which Addis Ababa hosted gave Ethiopia a prominent position and spawned several mutually beneficial agreements. It initiated the passage of the Addis Ababa Action Plan (2004–2006) when it adjourned on December 13, 2003. This conference, presided over by Ethiopian Prime Minister Meles Zenawi and Chinese Premier Wen Jiabao, attracted six African presidents and subsequently set up a firm mechanism for collective dialogue and multilateral co-operation between China and Africa.

Prior to the decade when China entered the African resource market, a great deal of the infrastructure development on the continent was linked to resource extraction. Many infrastructure facilities, including ports, railways and power plants, were maintained because they were essential to the extraction of resources and for shipping them to the West. But in all cases, starting from the colonial period until the end of the cold war, the model of exploitation and trade of African resources was principally determined by the security requirements of Western powers.

What makes the Sino-African trade strategy so unique is the intensive use of what is now known as the ‘Angola-mode’ trade structure: of exchanging infrastructure projects for the acquisition of natural resources. As one can surmise, for any country in Africa or elsewhere, poor provision of infrastructure is a key threat to the sustainability of growth performance because it denies them the chance to easily extract and transport their natural resources and then export them to the international market to increase incomes that can be directed to the development of manufacturing. In this way, they would not to be locked into reliance on the production of raw materials alone.

It is known that most African countries have rich deposits of natural resources, but they also have poor infrastructure that creates economic development bottlenecks that hinder their growth. In all cases, economists agree that infrastructure is essential for facilitating growth and development in a country. Some specialists estimate that Africa’s annual growth rate would have been one percentage point higher had it been able to provide a higher quality level infrastructure before China’s arrival. It is the combination of mineral rich Africa plagued with infrastructure bottlenecks, and manufacturing giant China endowed with the knowledge and experience of infrastructure construction but in need of oil and basic minerals that complements the healthy dynamics of Sino-African trade.

Trade deals between China and Africa are usually achieved through China’s Exim Bank, which extends loans for infrastructure development and an arrangement for repayment is made in terms of natural resource extraction. The World Bank estimates that all China Exim Bank loans to Sub-Saharan Africa in the infrastructure sector had reached more than U.S. $12.5 billion by 2006 (El-Erian, 2016).

Large scale Chinese infrastructure financing has particularly targeted the power sector where more than U.S. $5.3 billion was cumulatively invested by 2008. For a long time, Africa has suffered from the paucity of power supply despite its high hydro potential. Since energy is critical for Africa’s economic development, a lot has gone into the construction of hydroelectric power plants. By 2007, Beijing was involved in financing 10 major dams in nine African countries, with
a combined generating capacity of more than 6,000 megawatts of electricity at a total cost of U.S. $5 billion. Almost all hydroelectricity was financed by China. According to the World Bank, China has also generously financed the construction and rehabilitation of Africa’s either decaying or non-existent rail and road systems by committing over U.S. $4.5 billion by 2010. In Angola alone, Chinese aid has enabled more than 1,350 km of existing railway lines to be refurbished and more than 1,600 km of roads were to be constructed (El-Erian, 2016). Africa’s failure to grow economically has been partly due to its continued reliance on the export of primary resources, delaying industrialization, and depriving African economies of the dynamic advantages of manufacturing.

China’s involvement in the African resource market and the subsequent increase of US interest for African oil and minerals have created new development opportunities for Africa. They have also presented new challenges. Indeed, by its application of the ‘Angola mode,’ a swap of mineral and agricultural reserves for infrastructure, China has introduced new dynamics in the resource market. That in turn has contributed to the emergence of fast-growing, resource-rich economies in Africa. In the case of Angola and other resource-rich countries, the infrastructure bottlenecks in the power generation and transport sectors have been eased; for this, growth dynamics of the Sino-African resources for infrastructure trade has been a decisive factor.

China’s has been willing to finance Africa’s infrastructure and development projects through the Exim Bank with fewer conditionalities than the IMF. This trade arrangement is a welcome alternative source of funding that helps the economy grow. Technology transfer has also been easier with China than with the metropolitan powers. In all cases, China has shown its readiness to share technological knowledge with its African counterparts. This is a key feature that helps them to advance technologically and improve productivity.

Chinese trade policy of exchanging infrastructure projects for mineral resources has spawned new dynamics for African development. China, with its new trade strategy, has helped African resources fuel local development projects instead of extracting and sending their revenues to Western bank accounts of corrupt leaders as was common in the past. This has spawned a West-China rivalry - a new development opportunity for resource-endowed African countries.

**Africa and Choice of the Chinese Model**

The challenge African leaders face now is to scale up this momentum and transfer the results into sustainable progress based on rapid job growth, poverty reduction and a diversified economy. One principal task is to employ the fruits of the most recent commodity boom to reduce Africa’s dependency on primary products. The International Monetary Fund (IMF) calculates that Sub-Saharan Africa’s growth rate jumped to 6.7 percent in 2007, the highest since 1974 (Habiyaremye, 2013). This was due in large part to Chinese investment and commodity demand.

Looking at past China economic growth in Africa between the years 1990 and 2013, Africa’s economy grew rapidly and remarkably well. It averaged over 5 percent. In 2012, the average GDP growth of the continent was 6.6 percent, even though at that time developed nations
were facing serious economic problems. For Africa, the positive development process could be attributed to the dividend of the reforms they had tailored during the period. For the resource-rich countries of Africa such as Nigeria, Angola and Equatorial Guinea, rising commodity prices were an additional boon. For the rest, foreign capital inflows particularly from China helped. It is important to note that the percentage of people living below $1.25 a day in sub-Saharan Africa declined from 51.5 percent in 1981 to 42.6 percent in 2012. As the following graph indicates, the Sub-Saharan Africa growth rate was near zero in 2009 but soared to 4.6% in 2011 and stayed relatively high thereafter.

The general African narrative paints African societies as rising from and then being pulled back into economic dependency. According to this view, neo-colonial economic relationships which are characterized by the mining of raw materials and delivering them to China in exchange for finished goods is simply a repeat of its regrettable colonial experience. The way in which China differs from the West is in regard to the extractive activity and the manner in which the Chinese consider their own development as being distinct: a third way through which to escape destitution. For the Chinese, respect for sovereignty and non-alignment are cardinal principles in bilateral or multilateral relationships. And, for the great majority of Africans, the priority is finding a way to escape dependency arising from the raw material extraction economy.

China’s exceptionalism is based on Beijing’s interpretation of the famed 1955 Bandung Conference’s principles which commendably laid out a firm agenda for post-colonial states to follow in their struggle of nation building and working within the international system. China promised to abide by the Five Principles of Peaceful Coexistence which was itself fundamentally
framed by Zhou Enlai, China’s late premier. The five principles enshrined in the covenant of Bandung which China promised to follow in its relations with Africa are:

- Mutual respect for each other’s territorial integrity and sovereignty;
- Mutual non-aggression;
- Mutual non-interference in each other’s internal affairs;
- Equality and cooperation for mutual benefit; and Peaceful co-existence.

Furthermore, being guided by these principles, Chinese aid was slated to be provided according to the 8 set principles formulated by Premier Zhou during his State visit to Africa in 1963. Zhou stated that China is committed to:

- Promote equality and mutual benefit in providing aid to other nations;
- Never attach conditions or to ask for privileges;
- Lighten the burden of recipient countries as much as possible;
- Aim at helping recipient countries gradually achieve self-reliance and independent development;
- Strive to develop aid projects that require less investment but yield quicker results;
- Provide the best-quality equipment and materials for its own manufacturing.

Chinese aid to Africa follows a new modality of negotiation, buttressed by China’s own experience as a developing country that involves a doctrine of experimentation ranging from the socialist ethos of the revolutionary period to the free market ‘opening up and reform’ policy introduced by Deng Xiaoping. These put a premium on achieving practical and satisfying outcomes for all parties concerned. The Chinese approach is that as it gives technical assistance, it shall see to it that the personnel of the recipient country would fully master such techniques, and that Chinese experts are not allowed to make any special demands or enjoy any special amenities.

China’s approach to economic cooperation with Africa is diametrically opposed to the approach associated with colonialism that is based on the principle of restricting territorial access and trade to protect the interest of the metropolis. This was the case from the period of the Scramble for Africa which was enforced on the continent starting in 1885 to the early independence period. For the Europeans and their allies, territorial acquisition, or at least influence over them, remained the sine qua none of their foreign policy. China’s agenda in the 21st century is inversely proportional to this policy. It aims to forge an ever-increasing integration of economies across territorial borders of African nations.

Under China’s influence, African borders are no longer serving as fortified economic enclaves catering to the financial and strategic interest of one or another metropolitan power. The borders of Africa are now becoming increasingly open and are aimed at serving not as barriers but as bridges for regional as well as international trade flows. Furthermore, China’s foreign policy approach is averse to neocolonialism because it does not comprise of the establishment of military bases and blocs in return for aid, unfair trade practices, or resort to intervention to protect its business and strategic interests, fan armed conflicts and incite ‘local’ wars. It also does not attempt to use international and regional organizations in the interests of a neocolonialist agenda.
China’s decision to have economic relations with what the West has dubbed rogue regimes, such as Zimbabwe, Equatorial Guinea, Guinea, South Sudan and Sudan, simply proves that they mean what they say. They have no intention of interfering in the domestic affairs of their newly befriended African companions. The former President of Senegal, Abdoulaye Wade, spoke for most Africans when he stated in January 2008:

The battle for influence in the world between the West and China is not Africa’s problem. The African continent is in a hurry to build infrastructure, ensure affordable energy and educate our people. China’s approach to Africa’s needs is simply better adapted than the slow and sometimes patronizing post-colonial approach of European investors, donor organizations and non-governmental organizations. (Carbone, 2011)

Since the 1980s, under Deng Xiaoping, Beijing has said it pursues an independent foreign policy of peace under which China’s major foreign policy goals are to preserve China’s independence, sovereignty and territorial integrity and to build a favorable international environment for China’s reform, opening up and modernization drive. This is in line with the logic of foreign policy that China pursues: a policy of non-interference in domestic affairs. Its rejection of attaching conditionalities to an aid package follows the same line. Even when it insists that nations that want to have economic relations with them should recognize their ‘One China’ policy, the requirement is based on the same principle: China’s domestic and regional affairs should not be interfered with (Chen, 2015).

China’s and Africa’s relations are based on South-South cooperation. Normally, such cooperation is conducted between two countries or two regions at multilateral or bilateral levels. One can also have a triangular South-South cooperation which involves two developing countries aided by a third partner, usually an international organization like the UN or a benevolence-inspired developed country. Africa-China economic relations are of the first type. With regard to Africa, China has propped up the continent’s development struggle, and its support focuses on the sharing of experiences, exchanges of capacity-building, technical assistance, and mutual economic growth strategies. This approach encompasses financial, investment, trade and technology flows. In brief, it is economic and technical cooperation between China and Africa on the basis of South-South cooperation which dates back to the 1955 Bandung Conference of the non-aligned nations.

Without a doubt, China’s and Africa’s relationship is based on equality. Indeed, there is clearly a shared history of colonial oppression and devastation (Ringmar, 2013). China, unlike the former colonial powers that occupied Africa, has promoted political principles grounded on an unshaken perception of national sovereignty, non-interference in the internal affairs of nations, respect for territorial integrity and political relations based on egalitarian principles. It cannot be denied that both Chinese and African leaders have been aware right from the beginning that there will be some form of asymmetry in the setting of power relations as things exist now, but they also have believed that they should remain equal in terms of recognition of economic gains and political intercourse which is based on mutual respect (Bodomo, 2009). There are several forms of foreign aid that China offers to African countries. Among them are grants that are mainly used to help
recipient countries build hospitals, schools and low-cost housing. The grants, in addition, support water-supply projects such as well-digging. They are also used in the area of human resource development and technical cooperation.

China-Africa relations are predicated not simply on infrastructural development for the extraction and expropriation of resources. Its technological venture in Africa extends far beyond the resource extraction sector to industrial infrastructure encompassing power generation, the expansion of seaports, road and railroad networks, and telecommunications. Leaders of both China and Africa have recognized that the lack of infrastructure has slowed down economic development efforts in virtually every African region. During the heyday of colonialism and neo-colonialism, industrial infrastructure in Africa had become insolvent: the main reason why a lion’s share of Chinese investment packages, loans and assistance have been directed into industrial infrastructure so as to provide new development architecture for sustainable development in Africa.

China offers “Interest-free Loans” to African countries aimed at the construction of public utilities. Payment of such loans is usually within the provision of a five-years grace period and ten years of repayment. Then come concessional loans, which are mainly aimed at African countries that want to launch massive productive projects generating economic growth. Furthermore, concessional loans help finance medium-sized infrastructure projects. In fact, in many cases, they help establish productive industrial units, dams, and electrical grids, technical and other service projects. Concessional loans are provided by the Export-Import Bank of China. Currently, the annual interest rate of China’s concessional loans is between 2% and 3% (Samy, 2010).

China undertook the reduction of or if need be, the cancellation of African payments in arrears amounting to U.S. $1.5 billion owed by the heavily indebted poor countries in Africa by 2007. In addition to doubling its aid to Africa, which rose to about 1 billion U.S. dollars by 2009, China cancelled African debt to the tune of U.S. $1.1 billion (Financial Times, 2007). China also put aside a 5 billion U.S. dollars development fund for Africa’s needs. It addition, it guaranteed a cut in tariffs on selected African imports.

In the last few years, the European Union, the US as well as Western donor organizations have been livid about African nations throwing their doors open too wide to Chinese financiers and investors for unbridled exploitation. In a logic that sounds paradoxical, the West opposes Africa opening its markets to China, considering that opening free markets through globalization is a goal that the west holds dear and has continued to exalt as a pathway to progress (Ikenberry, 2005). China-Africa relations are partly a logical outcome of the marginalization of Africa in the age of Western driven globalization. China simply filled the vacuum in Africa that was created by Western disengagement in the region, and its close attention to the new Europe that was emerging from the former Eastern Bloc that used to live in the shadow of the defunct Soviet Union. African leaders embraced China following their appraisal of the after-effects of the continent’s colonial experience and the realities of its post-independence neo-colonial status (Maekawa, 2015).

China-Africa relations are a model of "South-South" cooperation and development strategy that is likely to generate a win-win outcome for both parties (Adams, 2009). This is in contrast to the zero-sum game with the West, and marginalization that Africa has suffered during much of the
second half of the twentieth century when it was flag independent with its umbilical cord to the West still intact. In the second half of the 20th century, Africa has been ravaged by proxy wars that raged, and are still raging, in most cases in Ethiopia, Nigeria, Angola, Congo, Chad, Mozambique, Somalia, Rwanda, Sudan and South Sudan. It is a known fact that the seeds of contradictions were laid by colonial subdivision that cut between ethnic territories fanning rivalries of nationalities and genocidal insurgence.

The West never considered in its calculations that Africa would cease to remain a backyard of Western capitalism. They entertained the hope that once the problem in Europe was solved, they would return to Africa to exploit its resources (Maekawa, 2015). For them, the desperation in the region is such that poverty has become its mirror image. To make matters worse, the arrogance of the West knew no limits. In the 1980s, a London newspaper commented that African leaders were being forced to swallow their pride and accept post-colonialists' prescriptions, "apparently convinced that the white man's medicine can be adapted or Africanized to serve their countries' needs" (Timberlake, 1986). A Western official was also quoted as saying that decolonization of Africa would involve "sending smart white boys in to tell them how to run their countries" (Timberlake). Similarly, in the 1990s, an American diplomat quipped that "in the next five years, Africa will be begging to be decolonized" Michaels, 1993). Condescending and negative slants and images of Africa dominated the opinion of the Western foreign-aid establishment in the 1980’s and 90’s. For them, Africa was never to be able to develop. They ridiculed Africa, believing that practically all global problems would dissipate if Sub-Saharan Africa were totally wiped off the planet. A prominent French envoy writing under a pseudonym in _Le Monde_, commented that, "Economically speaking, if the entire black Africa, with the exception of South Africa, were to disappear in a flood, …global cataclysm will be (virtually) nonexistent" (Chesnault, 1992). Africa was never a priority of the West. For example, after the termination of the cold war, U.S. aid to Africa went down from $1.7 billion in 1985 to $1.2 billion in 1992. Washington’s interest in Africa was so low on the agenda that in 1994, the U.S. Agency for International Development closed eight of its thirty-five missions on the continent.

Following the emergence of the Eastern Bloc countries from Soviet direct or indirect control, the West’s foreign policy target moved from Africa to Eastern Europe. Western business and financial establishments soon made massive divestment from the continent of Africa triggering a huge capital flight and economic decline. Compared with 1989, foreign direct investment nose-dived by 50 percentage points to $2.2 billion in 1990. It was this troublesome phenomenon that led UNCTAD to suggest that the decline of Western foreign-direct investment in Africa had led to the marginalization of the continent.

For a long time, the West considered Africa as “the Whiteman’s burden,” which was a term coined by Rudyard Kipling in his praise of imperialism and referring to the colonized as “half devil and half child” (Kipling, 1899). Even though China considers Africa an untapped territory with enormous economic opportunities, some Africans have boldly stated:
For Africans … who are physically and intellectually exhausted by two decades of
economic 'reform'. . .driven by Western governments, …China represents hope that
another world is possible. (Eno et al., 2014)

Thanks to China, Africa now seems to have a respite from an unfair treatment. A respite it
amply deserves. The continent is currently enjoying its fastest average growth rate. The demand
for commodities by China has helped support prices of its products rise on the global market. The
new relationship has also depressed Africa’s import prices, ultimately contributing to the recent
African economic leap. China’s President Hu Jintao announced at the summit for the 60th
anniversary of the establishment of the United Nations (UN.) on September 15, 2005 that China
strives to forge a harmonious world. His commitment to a harmonious world includes: non-
isolationism by the nations of the south that he urged to promote or not to shy away from but to
enter into mutually beneficial relationships with big countries, especially with the United States,
Russia and the European Union.

For Hu, the key to building a harmonious world is not through isolationism but by building
a harmonious relationship with big countries. Today, China is the world’s largest developing
country, and as such it aims to take the lead among the Nations of the Global South to pro-actively
develop collaboration in the fields of economic activities and trade, and friendly exchanges with
them that strive to construct harmonious partnerships (NY Times, 2005).

The essence of a harmonious world is a new concept of international order. A harmonious
world refers to ostpolitik and peaceful coexistence. This type of world is one where all nations, big
and small, live harmoniously respecting each other’s right to the same treatment. It means a world
governed by order, justice and fair-play. A harmonious world is expected to resolve regional and
international conflicts. This is particularly crucial since an international system lacking a sovereign
governing system is characterized as being in a state of anarchy.

Hu’s harmonious world is not a homogeneous but a diversified world. Hu envisages a
world without hegemonies where big powers are required to set the example, abide by the rules of
equality of nations and shoulder their responsibilities while the small nations are expected to enjoy
the status of equality and democracy, and when needed receive aid from the big powers. Hu
emphasizes that China’s relations with other developing countries, especially African nations, will
be strengthened in order to gain mutual prosperity. To implement this, the Nations of the North
are expected to shoulder a greater responsibility for universal, coordinated and balanced
development globally while the nations of the global south should make fuller use of their own
advantages to achieve sustainable development. Chinese Foreign Policy towards Africa was also
influenced by the philosophy of Confucius, an ancient Chinese scholar of repute (551–479 BCE)
who constructed the fundamentals of Chinese philosophy. Confucius emphasized a state’s need
for a just society as well as harmonious relationships between them.

In a historical purview, the pace of Africa’s economic development picked up in the mid-
1990s when China entered the scene and has grown by over 5 percent a year since. According to
the IMF, Africa recorded an economic growth rate of 5.3% in 2004 and 4.5% in 2005. Its fiscal
deficit was relatively low: 0.2% of GDP in 2004 which was transformed into a surplus of 0.6% in
2005. Its current account surplus rose from 0.1% of its GDP to 1.6% in the same period. Africa’s exports rose 26.5%, and imports, 19.5% in 2005, while its total foreign debt sank from U.S. $293.2 billion in 2004 to U.S. $285.8 billion in 2005.

Figure 3 shows the impressive African growth since the continent started trade and technological engagement with China in 1992 and going through 2015.

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<tr>
<th>Year</th>
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<td>2015</td>
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<td>2016</td>
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</table>

**Figure 3.** African GDP Percentage Growth – 1992-2016

*Source: IMF Data Base – 1992-2016*

It is clear that China's involvement in Africa is highly concentrated in oil and mine producing countries – comprising of a small cluster of resource-rich countries such as Angola, Congo, South Africa, Nigeria Sudan, South Sudan and Zimbabwe, but its presence continues to deepen and spread across the region to include those with paucity of commodities such as oil, minerals and timber; Ethiopia being categorized among them.

**Conclusion**

The author would like to stress in his concluding remarks that the scope of this paper is limited to covering economic development in Africa *vis-à-vis* its relation to China, and does not delve into other issues such as human rights which this author has dealt with in detail in other studies published in scholarly literature (Milkias, 2011). This paper has tried to show that contemporary economic relationship between Africa and China is one where there is a non-zero sum game between A and B and that A’s gain or loss is not predicated on the assumption that it is followed by B’s loss or gain. The relationship is one where the winnings and losses of both partners add up not to zero but rather in a win-win situation. China’s heavy engagement in the contemporary African economic development course, and Africa’s ready acceptance of Beijing’s massive investment strategies in Sub-Saharan Africa that dwarfs those of former colonial rulers and all
economically advanced democratic countries of the West is, without question, advantageous to the stakeholders. Furthermore, the paper has tried to provide pertinent information for Chinese investments in Africa in the resource rich as well as resource poor countries. That China has chosen to deal with both types of states instead of focusing on the first type proves its primary aim is not to just wheedle out extractable raw materials and then leave as the European colonizers have done.

The author has no hesitation in concluding that China’s current drive to get involved in Sub-Sahara Africa’s economic and infrastructure development has the potential to do more for economic growth and poverty alleviation than those claimed to have been attempted by Western countries and the half-hearted initiatives of the Bretton Woods institutions – the World Bank and the IMF. The paper has tried to ferret out the cost-benefit to Peking and the 54 independent African countries that gain from Chinese foreign economic investment in contrast to its urgent need for Africa’s plentiful resources to feed its unprecedented industrialization process that has already identified it in PPP terms the greatest global economy outstripping the U.S., hitherto an unchallenged economic powerhouse on the planet.

One thing is clear. The West is now infuriated that the management of African resources is gradually passing to Beijing. Under the circumstances, Africa ought to determine how to leverage its relationship with China and the West in a manner that will be mutually beneficial. Nevertheless, in the field of economic relations with Beijing itself, a critique is in order. For example, it is clear that in China-Africa relations, one can easily observe that Chinese companies shy away from joint ventures with African counterparts, which would have been an asset when the continent comes nearer to or reaches its goal of becoming a middle-income region within the next few decades. Chinese companies also, at least in a few cases, tend to hire Chinese contract labor rather than recruiting local workers (Alden & Davies, 2006; Brautigam, 2003). It is clear that this would militate against technology transfer that China has promised to deliver to Africa. The practice also works against China’s avowed pledge that its economic engagement will help and not prevent economic benefits to trickle down to the broader inhabitants of the continent. As a socialist country, China is without a doubt committed to help the poor to rise from the bottom rungs, but this cannot take place if Chinese contract labor is relied upon. There should also be a concerted effort to make sure that the introduction of Chinese industries, which Africans have warmly invited, do not affect the well-being of the fledgling local industries thereby displacing local producers which results in increased unemployment and underemployment. Also, despite the fact that Africa’s exports and imports to China keep increasing, they are lopsided. For example, take the case of Ethiopia whose export to China has been growing by leaps and bounds as compared with its imports. But due to the fact that the amount of Ethiopian export is miniscule, the trade balance has consistently gone in favor of China. The 2015 data shows that whereas Ethiopia mainly exports to China commodities such as coffee, oil seeds and semi-processed leather goods, the finished products Ethiopia imports from China include spare parts, structural materials, steel, machinery and finished textile products which gobble up a huge amount from the country’s already constricted foreign currency reserve. In the future, the African governments ought to work
towards stamping out this structural discrepancy of trade relations if their economic growth is to continue to run smoothly.

Another critique concerns environmental protection. Any observer knows that Chinese investments in Africa are a must if the continent is to reach its goal of becoming a middle-income country in the not too distant future. Indeed, so far, Chinese investment and technology transfer have been crucial. They have contributed tremendously to the infrastructure development processes in Africa. They have provided the needed capital for the ventures that the continent’s leaders say are a must for their countries’ growth. They have transferred innovative technologies and avant-garde management techniques. But, for the good of Africa, and by extension, the good of humanity, all these activities have to be sustainably conducted within a healthy environment. All Africans should indeed be infinitely grateful for China’s investment in green energy in Africa by financially and technically supporting the continent’s quest to build hydro, thermal, wind and solar energy which are renewable. With Chinese aid, Africans have for the first time attracted the attention of the West, particularly in investing in renewable energy and for achieving rapid development that won them accolades from even unexpected sources such as the IMF and the World Bank. However, such economic success should not be at the expense of ignoring the well-being of the ecosystem which has remained relatively pristine for millennia. The cost of attracting Chinese investors by relaxing the enforcement of environmental standards would have dire consequences if not stopped soon. Chinese plants, whether wholly under corporate ownership or run under joint ventures, that are operating in ecologically sensitive regions should be monitored vigilantly. The governments of Africa should desist from prioritizing short-term economic growth against the long-range health of the ecosystem. Even China, that had hitherto neglected to follow strict environmental standards and had generated heavy pollutants that are choking major cities such as Beijing, has learned the hard way and is in the process of correcting their laissez faire approach in regard to their commitment to sustainable development. African environmental protection officers should not ignore, but punish, the transgressions of Chinese owned investors or those who form common ventures with Africans or Diaspora investors for their wrongdoings. The Chinese government also bears responsibility to see to it that what is not good for China cannot be good for Africa. It should put pressure to bear on companies to work sustainably, and also put pressure on even the governments themselves to pay more attention to environmental protection issues.

That being said, in general terms, by exploring secondary sources and then surveying primary archival data, the author has proven that off the cuff labeling of China-Africa economic relations as imperialistic or neo-imperialistic is misplaced. Simply because China, a Global South country, is in an advantageous position in the symmetry of power in relation to Africa does not mean that it exhibits normative behavior of imperialistic nature. The visceral accusation against China is clearly wrongheaded. Data uncovered by the author so far shows that despite the widespread anti-Chinese narratives, the relationship between Africa and China is a non-zero sum game; that instead of the benefits being lopsided, the synergy between Africa and China does produce a combined benefit greater than the sum of the parts.
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