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DEVELOPMENT MODELS IN  
MUSLIM CONTEXTS

*Chinese, "Islamic" and Neo-Liberal Alternatives*

EDITED BY ROBERT SPRINGBORG

EDINBURGH UNIVERSITY PRESS  
IN ASSOCIATION WITH



**THE AGA KHAN UNIVERSITY**  
INSTITUTE FOR THE STUDY OF MUSLIM CIVILISATIONS

24. E. di Gropello (ed.), *Meeting the Challenges of Secondary Education in Latin America and East Asia*, Washington, DC: World Bank, 2006.
25. Two of the best-known works making this kind of argument are A. Amsden, *Asia's Next Giant: South Korea and Late Industrialization*, New York: Oxford University Press, 1989, and R. Wade, *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization*, Princeton, NJ: Princeton University Press, 1990.
26. B. Stallings and W. Peres, *Growth, Employment, and Equity: The Impact of the Economic Reforms in Latin America and the Caribbean*, Washington, DC: The Brookings Institution Press, 2000.
27. Data have been published every two years since 1996. For the latest figures, see D. Kaufmann and A. Kraay, "Governance Matters VI: Governance Indicators for 1996–2006", Policy Research Working Paper 4280, Washington, DC: World Bank, 2007.
28. R. Devlin, "China's Economic Rise", in R. Roett and G. Paz (eds), *China's Expansion into the Western Hemisphere*, Washington, DC: The Brookings Institution Press, 2008, pp. 111–47.
29. L. Palacios, "Latin America as China's Energy Supplier", in Roett and Paz, *China's Expansion into the Western Hemisphere*, pp. 170–89.
30. IMF, *Direction of Trade Statistics Yearbook*, 2006.
31. S. Jiang, "The Chinese Foreign Policy Perspective", in Roett and Paz, *China's Expansion into the Western Hemisphere*, pp. 27–43.
32. One of the main problems with Chinese FDI statistics is that around 75 per cent of the total is listed as going to Hong Kong, which is widely assumed to play a middle man role as a good deal of this investment ultimately goes elsewhere – including back to China itself. This problem is exacerbated by the fact that the other large destination is the Caribbean tax havens. In the tables in this chapter, the latter funds are excluded, since – unlike Hong Kong – virtually none of this money is expended locally.
33. ECLAC, *Latin America and the Caribbean in the World Economy, 2004 and Trends for 2005*, Santiago: ECLAC, 2005.
34. Devlin, Estevadeordal and Rodríguez, *The Emergence of China*; E. Dussel Peters, "Implications of China's Recent Economic Performance for Mexico", Briefing Paper, Dialogue on Globalization, Berlin: Friedrich Ebert Stiftung, 2005.
35. Devlin, Estevadeordal and Rodríguez, *The Emergence of China*; D. Lederman, M. Olarreaga and G. Perry, *Latin American Response to the Growth of China and India*, Washington, DC: World Bank, Office of the Chief Economist for Latin America and the Caribbean, 2006.
36. J.G. Tokatlian, "A View from Latin America", in Roett and Paz, *China's Expansion into the Western Hemisphere*, pp. 59–89.
37. *The Economist*, 31 March 2007.
38. On Japan and Latin America in the 1980s, see B. Stallings and G. Székely (eds), *Japan, the United States, and Latin America: Toward a Trilateral Relationship in the Western Hemisphere*, Baltimore: Johns Hopkins University Press, 1993.
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## CHAPTER 3

## The China Model in Africa: A New Brand of Developmentalism

CATHERINE BOONE WITH DHAWAL DOSHI

China has been pushing increased investment and cheap credit into Africa for at least five years. But the astonishing levels of expenditure and the breadth of Chinese involvement reached levels in 2006 that focused minds in the West ... Africa has not seen inward flows of this volume in all the post-independence years.<sup>1</sup>

### INTRODUCTION

This chapter asks if a China model defines or guides China's economic and diplomatic offensive on the African continent, and whether there is any evidence that Africans themselves see deepening Africa–China ties in this light. We argue that it is indeed possible to speak of a China model in this context. It is possible to discern a China model in two different ways. First, Chinese leaders and many African leaders work deliberately to construct a vision or overarching idea of China's growing involvement in Africa that stands in juxtaposition to the IFI model of economic-cum-political engagement that most countries of sub-Saharan Africa came to know in the mid-1980s. Direct beneficiaries of deepening China–Africa ties have vigorously embraced the opportunity to transcend the IFI model that not only pressured African governments into political, macroeconomic, and sectoral reforms for which most African leaders and technocrats had little enthusiasm or confidence, but also produced little by way of direct stimulus to economic development and growth. Second, it is possible to recognise a China model in the actual patterns of government–business relations and state–society relations that are promoted by Chinese involvement, and with Chinese resources, in Africa.

At the same time, however, African business people in competitive sectors of the economy, African workers, and perhaps those in communities that feel the direct effects of natural resource exploitation (oil, timber, mining), seem to see Chinese involvement as less distinctive – that is, more in keeping with their experiences with other foreign businesses and investors, and perhaps more in keeping with long histories of state–society relations in Africa – and less uniformly beneficial.

This chapter develops these arguments in four steps. In Part I, we offer a sketch of the IFI model of external involvement in African political economies. We will argue that this is a baseline against which African leaders compare their recent experiences with the Chinese. Part II is a brief overview of the volume, composition, and geographic loci of Chinese trade and investment ties with Africa since the late 1990s. Part III argues that Chinese involvement differs from the IFI model in three particular ways, and that, together, these constitute the distinctive China model in Africa: (a) the Chinese government is pumping resources into extractive industries and infrastructural development, often relying on state-owned or state-sponsored companies to do the work; (b) China and Chinese firms, often in public–private partnerships, are investing in a diversified range of export-oriented and domestic market-oriented productive activities, from manufacturing to agriculture to aquaculture; and (c) China supports authoritarian rule more or less overtly by renouncing any intention to “improve” or “democratise” government in Africa, or make it more accountable or transparent. These dimensions of Chinese involvement represent clear contrasts with the IFI model, which is defined by its intense focus on government austerity, the compression of middle-class consumption, export-oriented productive activities, private investment, reliance on market mechanisms to steer investment, and political conditionality.

In Part IV, we present the results of an analysis of African views of Chinese–African ties, with particular attention to the question of whether the idea of a China model is discernable in everyday commentary on this issue. For this, we conducted a content analysis of newspaper articles that appeared in 2006 and 2007 in about ten Nigerian, Kenyan and South African dailies. We inventoried references to different forms of China’s economic and diplomatic involvement in Nigeria and South Africa, coded articles for positive or negative views of Chinese involvement, sorted views according to who expressed them (African officials, business people, or person-on-the-street), and recorded the relative frequency with which particular ideas about China appeared in the press (China model, China as a development standard, China as a leader, China as a “no strings attached” partner, the Chinese as competitors, Chinese involvement as exploitative/corrupt, and so on). Although the newspaper search could not give us a complete or robust “sample” of views from these three countries, we present

the results as one glimpse of what some African newspapers are publishing about Chinese involvement in their countries. Some particularly interesting press clips are assembled in the Appendix.

### I. THE IFI MODEL IN AFRICA

As the 1980s progressed, African countries became more and more dependent upon a creditors cartel headed by the international financial institutions (IFIs), the IMF and the World Bank, for the inflow of loans they needed to sustain trade and to support the operation of governments.<sup>2</sup> For almost all the countries of sub-Saharan Africa, the IFI model of external capital inflows that developed during this period constitutes a standard against which recent experiences with China can be compared.<sup>3</sup>

The specificity of the IFI model is that it links continuing inflows of loans from multilateral sources (and from bilateral sources that make aid inflows conditional on an “IMF seal of approval”) to policy reform in an “adjustment regime” designed to improve macroeconomic management, governance and sectoral-specific economic policies in African countries. The IFI model is distinctive in both the policy content it seeks to promote and in its modalities of operation.

The policy content is familiar to all observers of the wave of neo-liberal reform that swept much of the developing world in the 1980s and 1990s. Its main features are those of the Washington Consensus: currency devaluation followed by measures to keep currencies valued at market rates; deflationary measures, including tight credit policies, trade openness, liberalisation of prices and market-access on domestic markets; liberalisation of conditions regulating private investment (domestic and foreign); promoting of export-oriented productive activities (especially in the primary goods sectors wherein Africa was supposed to have a “comparative advantage”); and reduction of fiscal deficits achieved mostly through government austerity. The last of these included cutbacks in public investment and social service delivery, which included trimming health and education delivery until the late 1990s. The overall reform program was characterised by a clear “anti-state bias” and the assumption that markets, once freed from the suffocating hand of government intervention, could restore growth. As van de Walle summarises it, the World Bank/IMF policy agenda called for “the withdrawal of the state from basic developmental activities”.<sup>4</sup>

The modalities of operation of the IFI “adjustment regime” are familiar to observers of the structural adjustment programs of the 1980s and 1990s. What is perhaps distinctive about Africa’s experience with the IFI model is the heavy-handedness of the IFI role in policy-making, the intensity of their physical presence in African capitals and state agencies, and the intensity of IFI moni-

toring of the political and policy conditionalities attached to the inflows of loan capital. Van de Walle's analysis is useful in underscoring the extent to which the IFI model of the 1980s and 1990s was, in its general norms and political character, consistent with earlier norms built-into the Western aid regime in Africa: in the IFI model, as in earlier aid relationships, "donors retain the final say over all allocation decisions ... [This is] reflected in preference for project aid and in the presence of conditionality to govern program aid". Van de Walle explains that "the 1980s witnessed the "explosive growth" in the explicitness and detail of the conditions donors attached to their aid". The routines of capital transfer included letters of intent, policy framework chapters, donor-monitoring protocols with deadlines and targets, loans distributed in tranches according to explicit schedules of conditionality, and the "annual ritual of debt rescheduling" ... "Governments were regularly threatened with nondisbursement to encourage them to implement the loan agreements".<sup>5</sup> From 1992 onwards, policy conditionality has included not only tariff-reduction schedules, privatisation schedules, subsidy-elimination deadlines, debt reimbursement targets, and so on, but also explicit "governance reforms", including requirements for judicial-sector reform, military reform, transparency in government procurement and contracting, civil service reform, reform of monitoring and regulatory agencies, tax and tax administration reform, reform in the modes of delivering essential services, and so on.<sup>6</sup>

By 2000, the IFI model of lending and policy reform had delivered much of the promised macroeconomic stability to Africa, but only limited growth. The general consensus outside of Washington DC is that "structural adjustment", at least as it was actually practised in the 1980s and 1990s, had failed to re-launch economic growth in sub-Saharan Africa. In the late 1990s, the World Bank itself began to experiment with programs and policies that would restore to African governments some of the developmental role that they had forfeited in the 1980s (for example, state investment in infrastructure, investment in primary and even tertiary education, preventative health initiatives).<sup>7</sup> The basic neo-liberal thrust of the IFI model remains well intact, however, as do the disciplining routines and policy "micro-management"<sup>8</sup> that have become the hallmark of the much-resented "conditionalities". Although van de Walle draws a different conclusion from his data, he noted in 2001 that "a majority of decision-makers across Africa [including intellectuals and civil society leaders, not to mention the public do not believe that "adjustment will work" for a variety of reasons ... [F]or the most part, adjustment programs have been imposed from outside on dubious governments ... African governments often remain unconvinced by the intellectual logic behind these programs".<sup>9</sup>

By the year 2000, the ground was well-prepared for entry of a new player and new ways of brokering Africa's dependence on external sources of capital, and for new ways of managing its external trading relationships.

## II. CHINA'S TRADE AND INVESTMENT TIES TO AFRICA

So marginal was Chinese involvement in Africa c. 2000 that van de Walle does not even mention China as an investor or lender in Africa in his 1999 review of the economic status of the African economies. This changed very rapidly over the course of the next few years. Several sources report total trade flows between China and Africa at about \$40 billion in 2005, making China Africa's third-largest trading partner (behind the US and France), to \$56 billion for 2006,<sup>10</sup> with increases projected to bring the total to \$100 billion in 2010.<sup>11</sup>

### a. Africa's Exports to China

Africa's exports to China rose at an annual rate of about 50 per cent between 2000 and 2005<sup>12</sup> fuelled by China's voracious demand for raw materials, especially energy resources. According to Broadman, the dollar value of Africa's sales to China (yearly average, 2002-4), was US \$9.2 billion<sup>13</sup> The 2005 total was \$16.95 billion.<sup>14</sup> By late 2006, Asia (China, Japan, India, Korea, and others) consumed 27 per cent of all Africa's exports, making the region a destination for African products that is on par with the US and the EU.<sup>15</sup> China itself purchased about 10 per cent of all African exports in 2005. The origins of these commodity outflows are geographically concentrated, with five or six mineral-exporting countries - Angola, Sudan, Libya, Nigeria, Algeria and Gabon - accounting for 85 per cent of Africa's sales to China.<sup>16</sup>

Oil, followed by metals and then agricultural raw materials and timber, are the leading categories of exports to China. Oil and natural gas constituted 62 per cent of the dollar value of all China's purchases from Africa in 2004, with metals and ores constituting another 17 per cent, and agricultural raw materials (apparently including timber, which itself accounted for about 5 per cent of total African exports to China in the 2002-4 period), accounting for 7 per cent.<sup>17</sup> China's Africa purchases satisfied one-quarter of its demand for imported crude oil the following year (2005),<sup>18</sup> making China the second-largest importer of African oil (after the US) in that year.<sup>19</sup> Angola is the single largest supplier of crude oil to China (50 per cent of Chinese imports of African crude in 2005), followed by Sudan (about 20 per cent of China's imports of African crude in 2005).<sup>20</sup> These countries have become heavily dependent on oil sales to China: China buys 50 per cent of Sudan's output, and 25 per cent of Angola's.<sup>21</sup>

### b. Africa's Imports from China

Commentary that is concerned with the dynamics of geo-strategic competition between China and the West has paid little attention to China's dramatically

successful efforts to access Africa's domestic markets. According to the IMF Direction of Trade Statistics compiled by Joshua Eisenman, China's imports from Africa did not exceed the dollar value of its exports to Africa until 2004. China's exports to Africa climbed sharply after 2000, rising from \$5 billion in 2000 to \$17.7 billion in 2005. In 2006, China was Africa's second-largest supplier (after France).<sup>23</sup>

China is selling not only machinery and equipment to sustain its spectacular drive to develop African transport, power and telecommunications infrastructure, but also consumer goods, mostly in categories at the cutting edge of China's export drive throughout the world: textile goods (including garments) and consumer electronics.<sup>24</sup> Broadman writes that Chinese consumer goods "have surged into African markets",<sup>25</sup> where they compete against Africa's domestically produced manufactured goods in South Africa and Nigeria, the leading African importers of Chinese products,<sup>26</sup> as well as in Kenya, Botswana, Lesotho, and many other countries.<sup>27</sup> South Africa, with its wide and deep consumer markets, runs a large trade deficit with China: its imports from China exceed its exports to China by a factor of four.<sup>28</sup> Angola and Sudan are also top destinations for Chinese manufactured goods.

Table 1. China's Exports to Selected African Countries (selected countries, in constant USD, 1990–2006)

Country/Region (\$ millions)	1990	1995	2000	2005	2006	2007	2008
Angola	39.4	44.6	53.2	401.5	926.4	1283.9	2613.7
Botswana	6.7	7.1	18.2	60.9	75.8	143.5	182.4
Cameroon	22.8	19.4	35.6	164.0	229.4	342.0	414.8
Congo-Brazzaville	26.5	17.0	48.5	156.9	254.4	433.7	607.8
Dem Rep Congo	502.7	137.4	29.0	72.9	89.5	109.4	203.4
Ghana	40.7	124	128.5	690.2	822.1	1251.2	1675.3
Kenya	47.3	181.5	163.1	522.4	689.5	1015.2	1286.7
Namibia	1.6	2	9.7	65.7	143.9	248.9	217.1
Nigeria	310	390.8	717	2392.6	2980.1	3995.7	6647.2
Senegal	43.6	68	77	158.8	207.2	353.3	459.6
Sierra Leone	8.6	7.1	14.8	39.0	47.5	69.1	88.9
South Africa	396.7	1475.9	1612.9	4525.3	6571.3	8211.8	9609.6
Sudan	36.5	44.9	163.5	1302.5	1426.4	1548.4	1864.8

Source: IMF Direction of Trade Statistics 2008.

Table 2. China's Imports from Selected African Countries (selected countries, in constant USD, 1990–2006)

Country/Region (\$ millions)	1990	1995	2000	2005	2006	2007	2008
Angola	0.6	136.9	1842.8	6668.8	11081.2	12934.5	24027.6
Botswana	3.2	0.8	0.1	4.0	8.4	26.4	174.6
Cameroon	41.2	39.2	146.8	71.4	213.1	168.2	361.7
Congo-Brazzaville	0.5	4.5	326.6	2284.8	2788.5	2832.8	3832.7
Dem Rep Congo	9.9	2.3	1.1	175.9	368.6	460.5	1365.6
Ghana	2.8	7.8	16.2	97.2	82.1	57.1	107.4
Kenya	3.3	20.2	38.1	55.5	66.9	69.7	96.6
Namibia	0	1.2	4.1	87.1	126.2	159.3	321.0
Nigeria	9.9	63.8	295	552.5	330.4	586.0	566.8
Senegal	2.7	9.4	10.7	20.5	19.9	35.1	24.1
Sierra Leone	0	0	0	2.3	1.1	5.9	7.5
South Africa	372.6	1314.8	1521.3	4063.9	4589.2	7100.6	9274.7
Sudan	62.8	75.7	735.7	2621.7	1949.1	4118.0	6568.5

Source: IMF Direction of Trade Statistics 2008.

### c. Chinese FDI in Africa

Broadman<sup>29</sup> reports that the stock of Chinese FDI in Africa (mid-2006) was estimated at \$1.18 billion, but this figure is so small that it is hard to guess what Broadman is measuring, since Chinese state enterprises' equity investments in African oil fields alone far exceed this sum. Shinn gives a figure of \$6.7 billion for China's direct investment in Africa for 2005 and notes that this sum is "still modest compared to Western investment".<sup>30</sup> It is also small compared to China's worldwide stock of FDI (in 2004) of \$45 billion.<sup>31</sup> Leading African destinations for Chinese FDI in 2004 were Sudan, Nigeria, and South Africa.<sup>32</sup>

The UNECA calculated that China and India together accounted for 10 per cent of all greenfield investment in Africa in 2005.<sup>33</sup> This figure should perhaps be considered alongside Chris Alden's observation that most of China's FDI in Africa is equity investment in existing enterprises (joint ventures with African SOEs, purchase of equity in established oil fields, purchases of African SOEs undergoing privatisation (or of shares therein), and so on).<sup>34</sup> French wrote in 2006 that "by one tally, China current has about 900 investment projects on the continent".<sup>35</sup>

It is clear that most Chinese FDI in Africa was been targeted at oil and other mineral extraction, and in infrastructural development that is derivative

of China's interest in Africa's oil and metals (railways, roads, ports, and so on). Noteworthy, however, is that since 2000, Chinese FDI has increasingly diversified from extractive industries to other sectors, "including apparel, agro-processing, power generation, road construction, tourism, telecom, and so on".<sup>36</sup> Below we discuss the role of the Chinese government in promoting FDI in Africa in all these sectors.

#### *d. Evaluating the Magnitude of China–Africa Economic Ties*

China is also a lender to African governments, and to Chinese firms (including SOEs) that invest in Africa, and well as the source of grants and other concessional flows to Africa. The volumes/sums of these flows are not published for reasons explored by Carol Lancaster,<sup>37</sup> but Howard French does give an idea of the magnitudes involved for some of China's leading African partners: "In 2006, China committed \$8.1 billion in lending to Nigeria, Angola, and Mozambique alone", a figure that can be compared with the World Bank's commitment of "\$2.3 billion to all of sub-Saharan Africa in the same time span".<sup>38</sup> Total aid inflows to sub-Saharan Africa as of about 2004 are generally estimated at \$12–13 billion a year, a figure often compared to outflows of about \$15 billion for debt service payments.

Alden<sup>39</sup> and Lancaster<sup>40</sup> have both noted that the multi-stranded nature of China's involvement in particular countries, including its extensive use of "package deal" co-operation projects and in-kind trading relationships, makes it difficult to sort China–Africa flows into the book-keeping categories (loans, grants, export credits, direct investments, debt forgiveness,<sup>41</sup> and so on) employed by Western governments and the international financial institutions. Yet, for the purposes of the present analysis, what is most interesting about China's growing ties with Africa may not be the quantitative reckonings and head-to-head comparisons. Rather, what is most interesting is the particular nature of China's trade and investment ties to Africa, including the credit/lending relationships, the manner in which they are established, and the role of the Chinese government in establishing and managing these relationships.

### III. THE CHINA MODEL: FOUR DEPARTURES FROM THE IFI MODEL

China's rulers have undertaken a major, long-term, diplomatic and economic offensive on the African continent, supplying investment capital, capital goods, cash, technology and technical assistance, weapons, and more, in exchange for raw materials, diplomatic support in the UN and WTO, and market access. Lancaster argues that they have deliberately sought "to project their own distinctive image [as a development partner in Africa] ... one that would

provide them with a separate and privileged relationship with the governments that they are helping and cultivating".<sup>42</sup> China has courted African leaders with "wave after wave of high-level diplomatic visitors in the continent",<sup>43</sup> wined and dined them "with exquisite courtesy" at China–Africa Cooperation Forum meetings in Beijing in 2000 and 2006 (with a CACF meeting in Addis in 2003), signed deals for huge multi-year mega-projects in a growing number of African states, and provided diplomatic support for African allies such as Zimbabwe's Robert Mugabe, who have come under siege for human rights abuses. Beijing has stepped into strained relationships between the West and the largest African oil and mineral exporters and loudly advertised the fact that China understands Africa's real development needs and aspirations, and that Chinese cash and investment capital comes "without conditionalities".

African resentment of the IFI model – with its punishing conditionalities, micro-management, and cookie-cutter imposition of neo-liberal policy reform – is a force that is itself helping to pave the way for a new model of African partnership with foreign investors and donors. Another factor that is encouraging African governments to look towards the East is the fact that the IFI model has delivered less and less in terms of cash flow and investment capital for African governments.<sup>44</sup> As Chris Alden sees it, "the dramatic fall in foreign assistance and FDI after the end of the Cold War" coincided with "the rise of interference in domestic affairs by both bilateral and multilateral donors ... African leaders sought out new sources of regime [support]".<sup>45</sup> Enter the Chinese, who provide not only capital inflows, but also a development model:

The symbolic attraction of China, a once-impooverished country victimised by Western imperialism and held back by its own pursuit of disastrous forms of socialism, clearly resonates with African elites looking for a positive development model from the Third World. At the same time, China's rapid rise to power is also appealing for African leaders who are desperately looking for models of success that do not threaten established regime interests ... China holds up a beacon of hope that all the gains of office need not be lost in the process of reform.<sup>46</sup>

Speaking of one of China's most important and least democratic African partners, Amosu writes that the ruling party of Angola has "seized on the idea of a Chinese model of development – involving an autocratic and unaccountable commandist political economy – as an effective alternative to Western-style reform".<sup>47</sup> Other African leaders, intellectuals, opinion-shapers, and civil society leaders, while often nuanced in their assessments, have identified China with a purposeful "developmental state" model that stands in clear contrast to the neoliberal austerity of the IFI model.<sup>48</sup> Walden Bello, in a recent piece in

*Foreign Policy in Focus*, relays conversations he had at the World Social Forum meeting in Nairobi in January 2007:

“There is something refreshing to China’s approach”, said a Nigerian diplomat who asked not to be identified. “They don’t attach all those conditionalities that accompany Western loans”. Adds Justin Fong, executive director of the Chinese NGO, Moving Mountains: “Whether accurate or not, the image Africans have of the Chinese is that they get things done. They don’t waste their time in meetings. They just go ahead and build roads.”<sup>49</sup>

We argue here that the contrasts conveyed by these comments are very real: China’s relations with its leading African partners differ from the IFI model in three stark ways that together constitute a distinctive China model in Africa.

*a. State-to-State Partnerships in Extractive Industries and Infrastructural Development*

The Chinese government is pumping resources into extractive industries and infrastructural development, usually relying on Chinese state-owned or state-sponsored companies to do the work, and often in partnership with African SOEs. The leading role of government in these initiatives, and the targeting of infrastructural development, are features of these undertakings that set them apart from standard operating procedure under the IFI model.

African infrastructure – railways, roads, hospitals, power plants, transmission lines, ports, bridges, and so on – suffered years of neglect under the IFI model, which prioritised cutbacks in government spending and debt repayment. Akwe Amosu calls it “a no-go area for Western donors for decades”.<sup>50</sup> China’s interest in rehabilitating and extending economic infrastructure (usually to make possible the extraction of Africa’s raw materials) is perhaps the most dramatic aspect of its current investment offensive. Such investments are sometimes wrapped up in “broad-spectrum package deals” worth many billions of dollars.<sup>51</sup> Examples can be found in Gabon, Angola, DRC, Nigeria and Sudan. Here, Amosu describes the Gabon deal:

Deep inside the tropical forest of Gabon, 500 miles from the coast, China is going where no other investors dare. A Chinese consortium, led by the China National Machinery and Equipment Import and Export Corporation, has won the contract to develop Gabon’s massive Belinga iron ore deposit. In return for purchasing the entire output, Chinese operators will build not only the extractive infrastructure at Belinga but a hydro-electric power dam to power it, a railway to the coast, and a deepwater port north of the capital, Libreville, for exporting the ore. This venture will cost several billion dollars, [and will be undertaken with] the support of [China’s] entire state machine.<sup>52</sup>

Amosu also writes of deals with Angola:

The Chinese agreed to [a broad-spectrum package deal] involving major infrastructural investment for Angola, which is ... the continent’s lead supplier [of oil] to China. A \$2 billion line of credit announced in 2004, ... [now raised to] a reported \$6 billion, over several years [will] finance a raft of different projects such as hospitals, schools, roads, bridges, housing, office buildings, training programs, and the laying of fiberoptic cable.<sup>53</sup>

Another source cited an Angola government official’s response to criticism of the Chinese (for reserving only 30 per cent of the building contracts for Angola companies, with the rest going to Chinese): “Why would you stop these guys coming?” asks Isaac Maria dos Anjos, a ruling-party MP. “It absolutely will help the ruling party. We have to build hospitals. We have to build bridges. And we will do a lot of it in just one year,” that is, before the next election”.<sup>54</sup>

A \$5 billion loan deal between China and the Democratic Republic of Congo was announced in September 2007, with capital earmarked for infrastructure and mining. According to the BBC, projects included in the package included roads, some 30 hospitals, 100 health centres, housing developments, two universities, a 3,400 km highway to link Kisangani to Kasumbalesa (on the border with Zambia), a 3,200 km rail to link major mining centres in the south with the Atlantic port of Matadi, and \$2 billion in projects “to rehabilitate the crumbling mining infrastructure, and [set up] joint ventures in the mines sector”.<sup>55</sup>

In 2006, the Chinese were considering, or had already committed to “some \$7 billion of investment in Nigeria across a wide range of sectors”.<sup>56</sup> In January 2007, Bello mentioned a \$6 billion joint venture between the Chinese Oil and Natural Gas Corporation and the LN Mittal Group to invest in railways, oil refining and power “in exchange for rights to drill oil”.<sup>57</sup> The Lagos–Kano rail project may be part of this deal. Other Nigeria investments included \$2.3 billion by the China National Offshore Corporation (CNOOC) to buy a 45 per cent working interest in an offshore enterprise called OML 130, also known as the Akpo field,<sup>58</sup> and China National Petroleum Corporation (CNPC) investments in the Port Harcourt oil refinery.<sup>59</sup> In November 2007, the international press reported a possible deal in which CNOOC would buy Royal Dutch Shell’s Nigeria assets in the Nigeria Delta (including shares in two offshore oil blocks) for \$900 million.<sup>60</sup> China also has projects in Nigeria in power generation, power transmission, hospitals, telecommunications, and beyond.

China’s involvement in Sudan follows this pattern. Chinese SOEs established multi-billion dollar joint-venture investments in Sudan’s national oil companies, starting in 1995 when China National Petroleum Corporation (CNPC) bought a 40 per cent share in the Greater Nile Petroleum Operating Company. SINOPEC

has also invested, and is building a 1,500 km pipeline from the oil fields to Port Sudan on the Red Sea, "where China's Petroleum Engineering Construction Company is constructing a tanker terminal".<sup>61</sup> Chinese firms are "building bridges near the Merowe Dam and two other sites on the River Nile. It is involved in key hydropower projects", including the Marowe Dam project, which involved the forced displacement of a local population of 70,000 people.<sup>62</sup>

The vast majority of companies spearheading or involved in the China-financed projects are state-owned, as the examples cited above suggest. One of the largest road-builders in Africa is China Road and Bridge Construction, which is owned by the Chinese government.<sup>63</sup> In the oil sector, Chinese SOEs are partnering with African SOEs, as in Sudan, Angola, Algeria and Gabon.<sup>64</sup> In mining, Chinese SOEs are purchasing rights to develop sites owned by African governments, and often exploited in earlier periods by African SOEs.<sup>65</sup> French notes that "the African state owned enterprises that sit astride the major extractive industries ... tend to be poorly funded and lacking in the technologies badly needed to upgrade their operations after years of decline and neglect".<sup>66</sup> SOE-plus-SOE joint ventures defy the norms of the IFI model. In extractive industry sectors, in the 1990s, the IFIs promoted the ideals of privatisation, private concessioning or sub-contracting operations and management to (private) multinational corporations. The vertical integration strategies that are so evident in the energy sector (also typical of Chinese investments in textiles and agroprocessing<sup>67</sup>) also seem distinctively Chinese in today's context – vertical integration as a goal resonates far better with the developmentalist strategies promoted by the World Bank in the 1960s and 1970s than with the IFI's neo-liberalism of the late 1980s and 1990s.

The leading financier of this activity is the China Export-Import Bank, the country's official export credit agency (which is wholly-owned by the Chinese government). Peter Bosshard wrote in 2007 that the Export-Import Bank "has approved at least \$6.5 billion in loans for Africa, most of which [80 per cent] is for infrastructure investments. The bank had relations with 36 African countries and had 259 African projects in its portfolio".<sup>68</sup> Bosshard notes that the World Bank estimated the figure of Exim Bank loans to sub-Saharan Africa for infrastructure project alone to exceed \$12.5 billion by mid-2006, a figure that Broadman compared to the OECD's total ODA for African infrastructure (as of 2004) of \$4 billion.<sup>69</sup>

Lending for prestige projects also constitutes a kind of infrastructural investment, and is also a Chinese departure from the IFI model. Stadiums, government ministry buildings and houses of parliament have all been delivered turnkey-style to African governments, allowing African leaders to display their economic prowess and capacity to deliver, and "revealing China's deep understanding of the imperatives of governance in ... impoverished countr[ies]".<sup>70</sup>

### b. State-sponsored Economic Diversification

China and Chinese firms, often in public-private partnerships, are investing in a diversified range of export-oriented and domestic-market-oriented productive activities, from manufacturing to agriculture to aquaculture. Since 2000, the Chinese government has promoted an ever-broader range of productive investment in non-extractive industry in Africa. As in the extractive sector, many or most of these projects are led by Chinese government-owned enterprises, with access to preferential loans and buyer credits provided by the Chinese government, often as part and parcel of larger "general" investment offensives or mega-deals. President Hu Jintao, on an eight-nation African tour in February 2007 (his third such tour in three years) pledged new loans to encourage Chinese companies to "help Africa develop processing and manufacturing industries so as to ease unemployment pressure and enhance the competitiveness of its [processed or manufactured] exports".<sup>71</sup>

Alden describes a push into agriculture and agro-processing that is "related to [China's] food-security concerns. To the end, China's Ministry of Foreign Trade and Economic Cooperation (MOFTEC) has sought to encourage Chinese investment in Africa ... in the production of farm-machinery [and] agricultural processing ... targeted for the world market". He provides examples of Chinese investors setting up "joint-ventures in fish processing in Gabon and Namibia, with some of the richest fisheries in the world, and leas[ing] agricultural land in Zambia, Tanzania, and Zimbabwe."<sup>72</sup> Vertical integration is often a feature of Chinese investment strategies in agro-processing, including joint ventures in textiles between Chinese and African SOEs (as in Zambia, at least before the expiration of the Multifiber Agreement in January 2005).<sup>73</sup>

### c. Lending and Investment with "No Strings Attached"

As Alden reports "Beijing has forsworn conditionalities with considerable vigour", thus freeing themselves of onerous complications in their relations with African partner-governments.<sup>74</sup> In doing so, the Chinese are capitalising on African leaders' eagerness to move beyond the IFI model in their dealings with the world. They are also creating a strategic advantage for themselves, for, as French argues, Chinese non-interference gives them "an excuse for doing whatever suits Beijing".<sup>75</sup>

Chinese leaders seem to advertise the "no strings attached" rule at every opportunity. Alden writes that "President Hu Jintao, in a state visit to Gabon in February 2004, declared that Chinese co-operation with Africa was 'free of political conditionality and serving the interests of Africa and China'".<sup>76</sup> Nigeria's *This Day* reported the words of China's ambassador to Nigeria, Mr Xu



Jiangua, who, upon handing over a consignment of anti-malarial drugs to the Nigerian minister of health, "said that China's assistance was devoid of selfish motives, as [it] never attached any political conditionalities or demands to ... any aid".<sup>77</sup>

Although the contrast with the IFI model is stark and deliberate, it is not quite true that Chinese aid is conditionality-free: China insists that its African partner-governments frequently reiterate their commitment to the "One China Policy".<sup>78</sup>

China has thus renounced any intention to make government in Africa more accountable, more transparent, or better institutionalised. It supports authoritarian rule overtly in Zimbabwe and Sudan, drawing sharp criticism from many African NGOs, civil society organisations and intellectuals.<sup>79</sup> Many analysts have argued that this aspects of Beijing's African strategy seem short-sighted, in that China, too, will have a medium- and long-term interest in political stability and good governance in Africa, as well as good relations with the workers it employs and the communities in which it works. Bad experiences for the Chinese in Zambia were perhaps a wake-up call in this regard. There are also some signs that Beijing is re-evaluating its blanket approval of and support for Khartoum's Darfur strategy.<sup>80</sup>

#### IV. NEWSPAPER CONTENT ANALYSIS

For a view of Chinese involvement in Africa that was more "from the field" than secondary analyses could provide, we coded stories on Chinese involvement in Africa that appeared in fifteen Nigerian, South African and Kenyan newspapers. The Factiva search engine allowed us to search by keyword (in headlines and first paragraphs) in order to collect articles published over the last year in Nigeria and South Africa, and over the last two years in Kenya. We inventoried references to different forms of China's economic and diplomatic involvement in Nigeria and South Africa, coded articles for positive or negative views of Chinese involvement, sorted views according to who expressed them (African officials, business people, or person-on-the-street), and recorded the relative frequency with which particular ideas about China appeared in the press (China model, China as a development standard, China as a leader, China as a "no strings attached" partner, the Chinese as competitors, Chinese involvement as exploitative/corrupt, and so on). We paid particular attention to the question of whether the idea of a China model is discernable in everyday commentary on this issue. Here we provide country-by-country overviews. Excerpts from some of the press stories are collected in the Appendix.

#### Nigeria

Our Factiva search for Nigeria covered articles with "China" or "Chinese" appearing in the headline or lead paragraph of three Nigerian newspapers – *This Day*, *Vanguard* and *News Watch* – for one year, between December 2006 and December 2007. The search yielded 137 results, out of which we deemed 30 to be relevant for our research. The discarded articles dealt with an assortment of topics, most of which were related to sport (usually the Falcons – Nigeria's women's soccer team who played in the FIFA Women's World Cup in China), news and issues within China, and other miscellaneous topics.

Of the 30 articles about China's involvement in Nigeria, 24 had a generally positive tone, while the remaining articles were coded as "negative" or "neutral". Of the total, 25 articles reported on Chinese investment in transport and railway infrastructure, manufacturing and assembly units, oil extraction and pipelines, mining, power plants, tourism, and/or telecommunications. The launching of a Nigerian telecommunication satellite, NIGCOMSAT, in China was a big event, and all four articles specifically related to the development of the telecom sector were related to this event. There were not many news stories about Chinese interest in Nigerian oil (only three of the 30 articles we collected, even though this commodity is the focal point of the China–Nigeria relationship).

Three news stories dealt with Chinese foreign aid in the form of healthcare and technical assistance. One of the articles dealing with foreign aid reported China's donation of US \$5.5 million worth of drugs and medical equipment for the eradication of malaria in Nigeria.<sup>81</sup>

Seven of the 30 articles described the Chinese as either presenting Nigeria with a positive development model, greater business opportunities, or no-strings-attached assistance. Two articles carrying a negative tone were ones that focused on corruption in the sale of local companies to Chinese firms. Two articles talked about local politicians regarding Nigeria and China as "natural allies", given the preponderant size and demographic weight of each country in its own regional context.<sup>82</sup>

Although Nigeria received an average of 14 per cent of all Chinese exports to Africa for 2003–6,<sup>83</sup> only one of the articles complained about cheap or poor-quality goods coming from China. This stands in contrast to what we observed in the South African news stories, where such complaints about Chinese goods figured prominently in our sample. At a meeting with US Department of State officials, an unidentified Nigerian politician reportedly said that "Nigeria's pharmaceutical and textile industries are suffering from what appears to be 'dumping' of Chinese pharmaceutical and textiles, and from counterfeit goods originating from China", but this comment was balanced by his observation later in the same speech that Nigeria's infrastructure could benefit from Chinese aid.<sup>84</sup>

In almost all the sectors of activity mentioned in our data set, including the high-potential oil, telecom, infrastructure development and tourism sectors, the Chinese were seen as boosting standards and producing benefits for Nigeria.

### *South Africa*

Our Factiva search for South Africa consisted of a keyword search of "China" or "Chinese" in headings and lead paragraphs for a period of one year from January 2007 to January 2008 in ten South African newspapers.<sup>85</sup> The search yielded 318 results, out of which we deemed 78 relevant for our research. Most of the discarded articles were reports about local events in China, views of Chinese politicians, and sports-related events.

Out of the 78 articles considered relevant to our research, 35 had a positive tone about the Chinese involvement in the country, 19 had a neutral tone and 24 were negative. This stood sharp contrast to Nigerian and Kenyan newspapers, where a much smaller proportion of articles had a negative tone. More than 30 of the South African articles expressed viewpoints of editors, scholars from academia and think tanks, while about 20 were straightforward reporting of news. Six articles represented viewpoints of local citizens, and the remaining were divided almost evenly between viewpoints of government officials and private business people.

The South African articles were dominated by news about the commercial sector and South African imports (27 out of 78 stories). Of the 27 articles coded as having to do with Chinese imports or China's presence in South Africa's commercial sector, eight had a negative tone, whereas nine had a positive one. Many of the negative stories were about the low or questionable quality of particular categories of Chinese products (dog food and pharmaceuticals appeared repeatedly), counterfeiting, or import competition that hurt South African industries.

Among these, issues relating to quota restrictions on Chinese imports to South Africa received the most attention. Clothing manufacturers pressured the government to restrict the importation of cheap Chinese garments that were blamed for "massive job losses and factory closures" in South Africa. One article stressed the salutary effects of such restrictions by noting that in the wake of import restrictions on Chinese garments, South African clothing manufacturers had been able to establish multiple long-term contracts with major local chain stores.<sup>86</sup>

Twelve of the 78 articles dealt with Chinese investment in the South African banking sector. The major recent development was the 20 per cent take-over of Standard Bank South Africa by Industrial and Commercial Bank of China (ICBC). Valued at R36.7 billion (\$5.6 billion), the deal was described as the

biggest foreign investment on the continent.<sup>87</sup> Reacting to the deal, the chief economist of a local consulting firm said, "It suddenly feels as though South Africa is playing a whole new, and very exciting, ball game".<sup>88</sup> Although some scepticism about Beijing's calculated strategic intentions in South Africa was apparent, there seemed to be little doubt that the deal signifies a new level of deepening ties between the two countries. Positive aspects such as easier access to Chinese capital and a huge influx of much-needed foreign exchange reserves stood out, amongst others. Even the pace and simplicity of the whole deal attracted appreciation and in one of the articles, it was compared to the "endless and rather tortuous" take-over deal between the United Kingdom's Barclays and local ABSA.<sup>89</sup>

Some observers warned, however, that South Africa should proceed with caution. Chinese banks, they noted, are different because they are owned by the state, and do not operate on the same market-based business principles as private banks.

Four of the news stories did refer to a "China model", or to China as an example for South Africa to follow. Two themes were seen in this regard. One dealt with China as a leader and partner in the development process, and the other with decisive government action in tackling corruption. Press reports from both South Africa and Nigeria referred favourably to China's recent execution of corrupt government officials for their role in the export of adulterated products. Commentators in both African countries suggested that perhaps their own governments should consider a similarly serious approach to the corruption issue.

South Africa is building sports stadiums as it prepares for the soccer World Cup in 2010. Four of the 78 articles talked about Chinese companies aggressively vying for these construction contracts. The director-general of the World Cup described their approach by saying, "They are coming."<sup>90</sup> Almost all the articles relating to Chinese involvement in infrastructure development in South Africa dealt with the building of stadiums, which differentiated this set of news stories from those collected from Nigeria, where the press also talks about Chinese development of roads, bridges and railways.

South African commentators and reporters seemed to regard China as a peer or partner, whereas the Nigerians more consistently portrayed themselves as beneficiaries of Chinese investment and aid. One South African article referred to China as a standard for measuring South Africa's economic progress, and complemented China's disciplined approach and their ability to attract foreign investment. South Africans, the article argued, could learn from such an approach. Chris Alden, the leading analyst of Africa-China relations at the Johannesburg-based South African Institute of International Affairs (SAIIA), said China had "changed the game of development" after years of domination by Western governments and donors.<sup>91</sup>

## Kenya

Our Factiva search for Kenya covered articles appearing in *The Nation* (Nairobi) and *The East African* between January 2006 and January 2008. A keyword search for “China” or “Chinese” in the article headline or first paragraph yielded 107 results, of which we deemed 56 to be relevant to our project. Many of the discarded articles dealt with Kenyan athletes preparing to compete in China, or with crime along China Road in Nairobi.

Of the remaining 56 articles, 17 had a negative tone, while 23 were positive. Only 11 articles were from *The East African*. With the exception of two articles, the viewpoint was either that of an editorialist, an academic, or was the straightforward reporting of facts.

Substantively, 38 of the articles dealt with one or more of the following topics: transport infrastructure, oil extraction, Chinese imports, or miscellaneous diplomatic relations with China. Of these, nine dealt with poor-quality Chinese products (toxic, spoiled, counterfeit), six focused on relations with China presenting opportunities and the need for Kenya to proceed with caution, and six depicted the Chinese as tricky or greedy.

Overall, the Kenyan stories were dominated by reporting on Chinese imports and, more specifically, counterfeit imports. One article estimated an annual loss of Ksh 35 billion, the equivalent of \$522 million in government revenue, as a result of the importation of counterfeit and illegal goods, most of which come from Asia.<sup>92</sup> As would be expected, all but one of the nine articles dealing with poor-quality goods had a negative tone. One article discussed Chinese president Hu Jintao’s promise to “tame [China’s] appetite for counterfeits”, and we coded this as having a positive tone (because we are considering the Kenyan perspective).<sup>93</sup>

Articles on Chinese imports were overwhelmingly negative (eight out of nine had a negative tone), and revolved around the issues of counterfeit goods, the trickiness or greediness of China or Chinese traders, and the China–Kenya trade imbalance. Complaints about counterfeit goods mentioned everything from batteries to electronic goods, pharmaceuticals, dolls, toothpaste and pens. A few articles mentioned the growth in trade between 2000 and 2005 (an increase of Ksh 12.79 billion), but viewed China as having the upper hand in this relationship because of its much higher level of industrialisation: Kenya exports raw commodities to the PRC and brings back manufactured goods in exchange.<sup>94</sup> Journalists and observers often note that Africa finds itself, once again, in the role of “raw materials exporter”.

In light of these downsides to Kenya’s relationship with China, several articles (six) urged Kenyans to proceed with caution. Several commentators supported deepening trade links with China, as long this was done in ways that guard the

well-being of Kenyans. While noting the many economic benefits to engaging in trade with China, Kenyans were advised to view Chinese assistance and business ties with a “jaundiced eye”<sup>95</sup> and to “guard [their] rear”.<sup>96</sup>

One of China’s greatest interests in Kenya is oil. Recent dealings of the Chinese National Oil Corporation (CNOOC) in Kenya were mentioned in eight of the ten Kenyan press articles. A 2006 news story reported that the CNOOC was given contracts to explore six out of eleven highly contested oil blocks, giving the company control over 28 per cent of the total area charted for oil exploration in Kenya.<sup>97</sup> Controversy broke out when the CNOOC turned around and leased these out to third parties – China was depicted as greedy, and Kenya was portrayed as having fallen for the “wiles” of an economic powerhouse.<sup>98</sup> Chinese financing for the construction of four new pumping stations was mentioned as a positive development.

Many of the positive articles dealt with Chinese construction projects in transportation and other infrastructure. The Chinese led expansion of the Jomo Kenyatta International Airport, which will increase the airport’s size and allow for many new non-stop flights to Europe and the East. China is also funding the renovation, expansion, and construction of at least three important roads.<sup>99</sup> Kenyan President Kibaki publicly thanked China for its support, specifically in road construction, referring to China in one report as a “true friend and development partner”.<sup>100</sup>

China–Kenya strategic and diplomatic relations are also mentioned in the press. In two articles, Kenya was referred to as a strategic location for China, and as China’s “gateway” to the East African region.<sup>101</sup> The headline of an unsigned article that appeared in *The Nation* on 17 November 2006 speaks for itself: “China Offers Military Aid”.

The overall tone of the 2006–7 articles was positive. Kenyans are impressed by and value China’s important investments in oil exploration and economic infrastructure. Yet the Kenyans do seem to fear that China will gain disproportionately, overwhelm and take advantage of their Kenyan partners, and flood East Africa with cheap manufactured goods. As one writer stated, China’s “cheque-book diplomacy” may not produce positive outcomes for Kenya in the long-run.<sup>102</sup>

The view from the news stands across these three countries – Nigeria, South Africa and Kenya – seems focused on the speed and scale of China’s emergence as a major player in the economies of these countries. The Chinese government is arguing strenuously that these rapidly developing relationships present win-win opportunities for China and its African partners. On the African side, observers are impressed by China’s capacity for action and its economic prowess. Reading the press over time conveys a sense of the wide range of sectors and the diversity of the activities in which the Chinese are now involved. At the same time,

however, the questioning and calls for caution that are clearly discernable in the news reports that we collected suggest that observers in Africa believe that African countries need to watch out for their own interests.

### CONCLUSION

This chapter has argued that the manner and modalities of China's recent entry into the African political economy differ starkly from those established by the IFIs that have been Africa's prime international interlocutors and purveyors of investment resources since the early 1990s. One important difference is that China's involvement in Africa is focused on state-to-state partnerships in natural-resource extraction and infrastructural development, unlike IFI support, which prioritised private-sector investment and de-prioritised spending on public infrastructure. Another difference, much commented upon in the literature on China's dramatic new role in Africa, is that Chinese investment comes without the extensive political and economic conditionalities that have structured the Western aid regime in Africa. Finally, Chinese business activities extend to a diversified range of domestic-market-oriented productive and service-sector activities, in contrast to the IFI vision which was more narrowly focused on export-oriented activities.

Viewing the relationship between the IFI model and China model over time, however, does reveal some complementarities and synergies. It is true, for example, that post-1990 trade liberalisation and the marketisation of exchange rate policy opened the door to Chinese private investors, exporters, construction companies, and so on. Complete or partial privatisation of African state-owned enterprises, which was also pushed forward under the structural adjustment programs, created some of the investment opportunities that the Chinese are now taking advantage of. Although China might have invested in resource-extraction in Africa in the earlier period if their incentives and the prices had been right, the extensiveness of the China-Africa ties that we see today is certainly at least partly a result of the reforms that liberalised trade and investment policies in most African countries after 1990.

Two important and interesting questions about the "China model" in Africa have not been addressed adequately, or at all, in this study. The first has to do with what African leaders and policy makers actually see in the China model. It is clear that China stands for rapid economic modernisation propelled and guided by a strong state, and legitimised by a vision that calls for growth now and perhaps democracy later. But does the idea of a China model go beyond that? A thorough study of this issue would ask whether, or to what extent, African policy-makers are studying Chinese policies that have governed the development of export-oriented manufacturing, the operation of domestic agri-

cultural markets, delivery of social services, functioning of civil service or the military, and so on.

Perhaps the biggest question of all is whether the "brand of developmentalism" that the Chinese are selling in Africa will actually promote development. This issue is the pivot of the Africa-centred writing on the China-Africa connection. Most commentators and analysts stress the fact that Chinese investment alone is not a panacea, and that it could, in fact, aggravate the resource-curse syndrome, problems of indebtedness and patterns of misrule that have contributed to the economic frustrations and disappointments that Africans now confront. China is bringing investment capital, ideas, new ways of doing business and new global connections to Africa. Harnessing these to serve Africa's interests is the challenge of the hour for Africa.

## Appendix 1

Excerpts from Press Reports on Chinese Activities in Nigeria,  
South Africa, and Kenya

## NIGERIA PRESS CLIPS

*Chinese in Infrastructural Development*

In an exclusive interview with THISDAY in Abuja, the Executive Secretary of NIPC, Engr.

Mustapha Bello, in addressing a question about the unscrupulous practices of some Chinese companies: According to him, "actually, if you look at the total investment of China in Nigeria, I think it moved from \$26 million as at 1999/2000 but today when you include even the facilities the Chinese Government has given Nigeria, it is over \$10 billion. If Chinese authorities can commit that to help us develop our railways, which is a major infrastructure, develop dams to be able to produce about \$12,000 MW, this is our friendly country. Whatever some of their citizens are doing, we must try to find ways of tolerating them and then stopping them from misbehaving. If I come in to work and I give you over \$10 billion, then you have to find ways of making me your friend so that I can give additional billions of dollars."

Kunle Aderinokun, "Foreign Investments in Country Hit \$35 Billion", *This Day*, 20 August 2007 (NB-21).

*"No strings attached"*

Chinese Ambassador to Nigeria, Mr. Xu Jianguo, disclosed this in Abuja, yesterday while presenting a fresh consignment of anti-malaria drugs to the Ministry of Health ... Jianguo described the gesture as a way of promoting friendly relations and boosting economic co-operation between the two countries ... He said China's assistance was devoid of selfish motives, as the Asian country never attached any political condition or demands to any political privileges in providing aids [sic] to friendly developing countries.

Onwuka Nzeshi, "China Donates \$5.5m Drugs to Country", *This Day*, 6 November 2007 (NA-13).

*China Launches Nigeria's Telecom Satellite*

With the successful launch of Nigeria's Communications Satellite, NIGCOMSAT in far away China, Efem Nkanga, appraises the benefits and implications of the

historical launch for Nigeria in particular and the African continent as a whole. Nigeria made history last week and reaffirmed its position as the giant of Africa when it launched a satellite project that will revolutionise telecommunications, broadcasting and broadband multimedia services in Nigeria and Africa.

The project called Nigeria Satellite communications, NIGCOMSAT is an icing on the cake to the tremendous gains made in the telecoms sector and a testimony to the benefits of the liberalisation of the telecoms sector spearheaded by President Olusegun Obasanjo six years ago.

The contract for the NIGCOMSAT project which was signed on December 15, 2004 in Abuja between China Great Wall Industry Corporation and the National Space Research and Development Agency was said to have cost the Federal Government over N40 billion. China was awarded the deal after it outbid 21 international rivals to secure the multimillion US dollar deal.

"Gateway to Digitalising Africa?" *This Day*, 16 May 2007 (NC-14).

*Golden Dragon Bus Assembly*

An automobile firm, Golden Dragon Nigeria Ltd, has ... begun moves to bring the assembly plant of one of China's largest automobile companies to Nigeria. According to the company's General Manager, Mr. Dele Ogunsipe, "the wide acceptance of the Golden Dragon buses in Nigeria has encouraged the board of directors of the company to go for the strategic plan of having its assembly plant in the country". He said the buses, which moved into the Nigerian transport market late last year, have been doing well, because they have been fully tropicalised for excellent performance on Nigerian roads.

"Chinese Auto Firm to Build Plant in Nigeria", *This Day*, 19 November 2007 (NA-12)

*Railway Construction*

Mr Jing Wenchang, Chief Engineer, China Civil Engineering Construction Corporation (CCE-CC), has said work on the Lagos-Kano railway will start by November, this year. Wenchang said this yesterday in Abuja, at a meeting with traditional rulers whose communities would be affected by the project. The 1,315 kilometre double track railway line will pass through Abuja, while a second single track line would run from Minna through Abuja, to Katsina State. Cost for the lines was put at \$5.2 billion for double lines and \$8.3 billion for single lines.

"Lagos-Kano Rail Project Begins November", *This Day*, 27 September 2007 (NA-16).

*Nigerian Politician is the Author of China's Development Success (!)*

Brimmy Olaghere decamped to Nigeria People's Congress, NPC, under which platform he is contesting the April 21 presidential election. An economist of repute, he was involved in the efforts that saw to the growth of the Chinese economy. China started the implementation of his plan in 1993 and indeed, it worked for them. Prof. Olaghere spoke from Abuja on why he wants to be the president of Nigeria and his plans to turn around the fortunes of the country.

Chioma Gabriel, "There's No Reason for Nigerians to Wallow in Abject Poverty", *Vanguard*, 24 March 2007 (ND-33).

*Growth Rate of 10 per cent, Just Like the Chinese*

The Nigeria Investment Promotion Commission (NIPC) has said the country is fast becoming the preferred destination for investors, with the total foreign direct investments (FDIs) into the economy now at about \$35 billion. Out of this, China's investment alone accounts for \$10 billion ...

The Executive Secretary of NIPC, Engr. Mustapha Bello, said most of the investments came from telecoms and oil and gas sectors ... If we are able to fast-track our growth to a target of 10 per cent, we must be able to drive a minimum of \$3 billion a year, then we can keep pace with the 10 per cent growth. If we are able to make much more than that, then we should see a growth of 10 per cent just like the Chinese.

Kunle Aderinokun, "Foreign Investments in Country Hit \$35 Billion, *This Day*, 20 August 2007 (NB-21).

*Resentment Aroused by Chinese Investment*

In the words of a Nigerian government official, while delivering a speech on "Political Dynamics Affecting the Business Climate in Nigeria" during a meeting of the US Department of State Advisory Committee on International Economic Policy:

"The average Nigerian resents the use of Chinese labourers in construction projects and perceives the Chinese as harsh employers. Nigeria's pharmaceutical and textile industries are suffering from what appears to be "dumping" of Chinese pharmaceutical and textiles and from counterfeit goods originating from China".

He described the relationship between China and Nigeria as "strong and cordial" but "complex".

"Nigeria's infrastructure could clearly benefit from Chinese aid, but the Chinese are discovering that their largest and most highly touted, proposed

infrastructure projects have not even broken ground because of cultural and market misunderstandings, bureaucratic hurdles and corruption".

Constance Ikokwu, "AAGM: China surpasses US as Country's Import Partner", *This Day*, 3 August 2007 (NB-29).

SOUTH AFRICA PRESS CLIPS

*ICBC to buy 20 per cent of Standard Bank*

The Industrial and Commercial Bank of China (ICBC), is to buy a 20 per cent stake in our own Standard Bank ... It's likely to position it at the centre of the fast-growing trade and investment flows between China and Africa. Standard is already the largest bank in Africa, represented in 18 countries, and it has built an extensive international business that is focused on emerging markets. With China's hunger for resources, its companies want to make inroads into those markets. It is significant that ICBC has picked Standard to do that with. The deal gives Standard the capital it needs to support its rapid international growth but, more importantly, it gives it access to the huge Chinese market and gives it the potential to be a really big emerging market player. And as the latest global economic growth forecasts indicate, emerging markets are where the growth is happening.

Hillary Joffe, "Good lesson in how to clinch a painless deal", *Business Day*, 26 October 2007 (SA2-4).

*The Chinese Way: Shoot the Culprits*

Those found guilty of misconduct, misappropriation of any nature, or even negligence due to not applying good judgment, should receive the Chinese remedy for their problems. The Chinese have dealt with the corruption problem - they shoot the culprits. I believe this would improve the honesty of the public service.

Joffe Papenfus, "The Chinese Way", *Business Day*, 17 October 2007 (SA2-10).

*Bad-quality Products and Unfair Competition*

Worse, perhaps, is that our own textile industry has been crippled by cheap Chinese imports made possible only because of China's appallingly poor labour policies. China itself admitted yesterday that its food and drug safety administration was unsatisfactory after the former head of that department was executed for receiving bribes to allow poisoned drugs on to the market.

Kevin O'Grady, "Prickly Lessons", *Business Day*, 11 July 2007 (SA4-6).

*South Africa Tracks Chinese Investment in DRC*

KINSHASA: The International Monetary Fund warned Congo yesterday to beware of the macroeconomic effects of a planned \$5 billion loan from China to modernise the vast African country's decrepit infrastructure and mining industry. President Joseph Kabila's government announced plans last month for the huge loan from China, which would be paid back partly in mining concessions and tolls from roads and railways.

Oscar Stuart, "IMF worries over China's \$5bn DRC loan", *Daily News*, 4 October 2007 (SA2-14).

*New Development Game*

China's push into Africa is prompting growing interest over Beijing's motives in the world's poorest continent, with opinion divided over who stands to benefit most. Speaking at the launch this week of a new China research programme run by the Johannesburg-based South African Institute of International Affairs (SAIIA), its chief academic said China had "changed the game of development" after years of domination by Western governments and donors.

"I think that's probably the most important contribution China has made to date in African development", added Chris Alden, who is also a lecturer on China-Africa relations at the London School of Economics.

Oscar Stuart, "Growing interest in motives, benefits of China's Africa push", *Daily News*, 25 October 2007 (SA2-7).

*To Advance, You've Got to have Ties to China*

An agreement of intent to invest an initial R1.4 to R1.75 billion in a cement manufacturing plant has been signed by industrial conglomerate, Shandong Xianglong Group – one of many Chinese investments planned in public transport, property and educational exchange, according to MEC for Transport and Public Works Marius Fransman. The cement plant is expected to have a production capacity of 6,000 to 10,000 tons per day and create 500 to 600 production jobs ... Fransman said that King Long, possibly China's largest public vehicle manufacturer, had expressed a "strong intention" to set up a manufacturing plant in the Western Cape.

"We have seen a lot of opportunities available to various companies brought along", said Himmer Hou, chairperson of the South Africa Japan China Group (SJC). "Our visit [to Shandong Province] showed us that the world economy is increasingly rotating around the Chinese economy", said Premier Ebrahim Rasool of the China trip last month by a Western Cape delegation ... "If you

have no relationship with the Chinese economy, you're not going to be able to advance your own economy – especially in a country like South Africa", he said.

Dominique Herman, "R1.75bn cement plant indicates China's desire to invest", *Cape Times*, 6 December 2007 (SA-16).

## KENYA PRESS CLIPS

*"No strings attached"*

The Chinese government has defended its co-operation with African governments. Chinese ambassador to Kenya Zhang Ming ... reiterated that China will offer economic assistance "in a selfless, sincere way and in the purpose of helping African countries in development. We do not attach any political conditions to our assistance nor do we impose our will upon others".

"China Defends Cooperation with Continent", *The Nation*, 12 September 2007 (K1-9).

*Import of Counterfeit Goods*

The Kenya Bureau of Standards has alerted Kenyans to recall of a toothpaste manufactured by a Chinese company following safety concerns... China is facing a credibility crisis as a manufacturing and exporting country as several of its products in various lines of production have been found to be of low standards and unsafe for consumer use.

"Standards Office Issues Alert on Toothpaste", *The Nation*, 30 August 2007 (K1-10).

*Counterfeit Batteries, Electronics and Pharmaceuticals*

An OECD report for last June said trade in counterfeits was the equivalent of the national gross domestic product of over 150 countries, based on World Bank data of 2005. Commercial counterfeit costs in 2007 are already over \$500 billion, it said. The World Intellectual Property Organisation (WIPO) in a 2006 session in Geneva said the OECD estimates the cost to companies of counterfeiting to be over \$630 billion a year. East African governments are losing over Ksh 35 billion (\$522 million) as revenue due to importation of fake and illegal goods. According to KAM chairman Steven Smith, counterfeit goods are mainly imported from Asia. Some of the good include batteries, electronic goods, and pharmaceuticals.

Philip Ngunjiri, "Court Release "Fake Biros," *East African*, 20 November 2007 (K4-8).

*Need to Look Upon China with Caution*

Recently, there has been a dizzying parade of high-level visitors between Africa and the People's Republic of China. Some Kenyan officials have suggested that the country should increasingly look East to diversify its economic relationships and reduce dependency on the West. Theoretically, this sounds like a plausible idea. That is until you give it serious thought. China, once upon a time the pivot of the oppressed Third World, has itself become a voracious and cruel imperial overlord. That is why Kenya and Africa must fundamentally recalculate their relationship with the rising Chinese leviathan. China still sings songs about Third World solidarity, but its political and economic actions and interest belie the song. This does not mean that Kenya should not engage China. Rather, it means that Kenya must guard its rear.

Makau Mutua, "Why Country Should Be Wary of China", *The Nation*, 1 July 2007 (K1-24).

*Trade Imbalance*

Kenyan officials present at the function and who spoke, decried the trade imbalance between Kenya and China, saying it tilted on the side of China more than that of Kenya. Vice President Moody Awori who was present among other Kenya members of Parliament and business leaders, said that while the trade between the two countries continues to grow with the volume of trade in 2000 rising to Sh 7.75 billion and Sh 20.54 billion in 2005, the balance of trade was highly skewed in favour of China, due to the different levels of industrialisation. "Kenya continued to export unprocessed or semi-processed raw materials, while Chinese exports to Kenya comprised mainly of manufacturing goods, machinery and equipment", he said.

"Chinese Government Answers Critics of Its Development Policies", *The Nation*, 26 April 2007 (K1-38).

*Natural Allies*

The year 2006 is remarkable in one big sense. The Africans and the Asians have renewed their co-operation in ways that are reminiscent of anti-colonialism that was at the expense of the West, mainly Europeans ... The apparent growing closeness of the Africans and the Chinese is beyond personalities. It tends to rekindle the spirit of Afro-Asianism that is based on common experience of exploitation by the West in three stages of classical colonialism, neo-colonialism, and post-modern colonialism.

Macharia Munene, "Africa Edging Closer to Asia Concern for West", *The Nation*, 2 January 2007 (K1-51).

*Investment in Manufacturing, Water Services, Telecom, and Other Areas*

"For the past five years so, there has been a tremendous acceleration in trade and investment by the two countries [China and India] in Africa. This acceleration has largely been driven by investment and trade in oil. However, this has now extended far beyond natural resources. There are investments in light manufacturing, sophisticated infrastructure, water services, telecommunications and textiles, among others".

Francis Ayieko (Interviewing Dr Harry Broadman), "Rise of India, China Good News for Africa", *East African*, 14 November 2006 (K2-6).

*It is Just "Cheque-book Diplomacy"*

"Whether our relationship with China is of mutual benefit is an important issue every Kenyan should reflect on. In general, President Hu's visit doesn't serve our national interest. It is just "cheque-book diplomacy" ... Apart from economic prosperity, China has nothing to show to the world. Political repression and religious intolerance are some of the hallmarks of the Chinese government.

Njoroge Wachai, "China Doesn't Serve Our Interests", *The Nation*, 27 April 2006 (K2-42.)

*China Snapping Up Oil Contracts*

Fuelled by a fast growing economy and increased consumption of fuel, China is snapping up oil contracts and Kenya is its latest hunting ground. The two countries are set to sign an oil exploration agreement that will give the China National Offshore Oil Corporation (CNOOC) a lease to drill for oil and gas in one of the many blocks along Kenya's coastline.

Kennedy Senelwa, "China Joins Search for Oil in Kenya", *The Nation*, 22 April 2006 (K2-46)

*Chinese Military Assistance to Kenya*

China has offered to help Kenya modernise its armed forces. Chinese Defence Minister Gen. Cao Ganguan today assured Kenya of his Government's support to the modernisation of the Kenya Armed Forces ... Gen. Ganguan hailed the continued co-operation between the two countries. President Kibaki thanked China for its continued support especially in roads construction, saying China was a true friend and development partner.

"China Offers Military Aid", *The Nation*, 19 November 2007 (K4-10).



## NOTES

1. Akwe Amosu, "China in Africa: It's (Still) the Governance, Stupid", *Foreign Policy in Focus*, 9 March 2007, at [www.fpfif.org](http://www.fpfif.org), pp. 1-2.
2. Barbara Stallings (ed.), *Global Change, Regional Response: The New International Context of Development*, Cambridge and New York: Cambridge University Press, 1995.
3. Nicolas van de Walle calls this the "adjustment regime" (of lending) that developed in the 1980s (*African Economies and the Politics of Permanent Crisis, 1979-1999*, Cambridge: Cambridge University Press, 2001, p. 210, inter alia). He reports that, in the 1980s, "some 36 sub-Saharan African countries signed 241 different loans with the Bank and the Fund on behalf of stabilization and adjustment operations". In the 1990s, "almost all African states have engaged in some kind of economic reform program with funding from the West" (p. 7). At the end of 1998, the IMF still had operational loans in 26 African countries, including 22 "enhanced structural adjustment facility loans" (p. 7, note 15).
4. On basic facets of this model, "the new liberal orthodoxy", as it was imposed in Africa, see *ibid.*, pp. 16, 75, 137-9 and 164-6.
5. *Ibid.*, pp. 197, 214, 216 and 215.
6. See Richard Sandbrook, *Closing the Circle: Democratization and Development in Africa*, London and New York: Zed Books, 2000, pp. 13, 16. Although the IFI's embraced the governance reforms, the democratisation reforms (calling for multi-party elections, and so on) were pushed mostly on a bilateral basis, most concerted by USAID under the Clinton administration. German bilateral aid and EU lending was also linked at various points to democratisation efforts. On this, see van de Walle, *African Economies*, pp. 268-9.
7. van de Walle, *African Economies*, pp. 11-12.
8. *Ibid.*, p. 269.
9. *Ibid.*, pp. 57, 145-7, inter alia.
10. For 2006, Peter Bosshard gives the figure of \$56 billion, in "China's Role in Financing African Infrastructure", *International Rivers Network*, May 2007, at [www.irn.org](http://www.irn.org). For an overview, see Chris Alden, *China in Africa*, London: Zed Press, 2007. See also Daniel Large, "A 'Chinese-Scramble?'" *The Politics of Contemporary China-Africa Relations*, *African Affairs*, vol. 106, no. 422, 2007, pp. 141-3; Firoze Manji and Stephen Marks, *African Perspectives on China in Africa*, Cape Town, Nairobi and Oxford: Fahamu - Networks for Social Justice and Pambazuka.org, 2007; and Alex Vines, "China in Africa: A Mixed Blessing?", *Current History*, May 2007, pp. 213-19.
11. David H. Shinn, "Free Trade, Fair Trade, and Sustainable Trade: The Case of Resource Extraction", Oxford-Uehiro-Carnegie Council Conference, New York City, 7-8 December 2006. Howard W. French also gives the \$40 billion figure for trade in 2005, "a four-fold increase since 2001" ("Commentary: China and Africa", *African Affairs*, vol. 106, no. 422, 2007, p. 127).
12. This is compared to an annual growth rate of about 20 per cent in 1990-4 (Harry G. Broadman, *Africa's Silk Road: China and India's New Economic Frontier*, Washington, DC: The World Bank, 2007, p. 11).

13. *Ibid.*, p. 120, Table 2A.4.
14. International Monetary Fund, *Direction of Trade Statistics*, 2006. Prof. Gordon Bennett supplied this data. Available online at <http://www.imfststatistics.org/DOT/>
15. According to Broadman, the EU's share of SSA exports declined from 50 per cent in 2000 to 27 per cent in 2005 (*Africa's Silk Road*, p. 11 and p. 40, note 3).
16. *Ibid.*, p. 12. Also see *ibid.* (p. 83, Box 2.1) for share of China's crude oil imports from Africa by country of origin. See also Ian Taylor, "China's Oil Diplomacy in Africa", *International Affairs*, vol. 82, no. 5, 2006, pp. 937-59.
17. Broadman, *Africa's Silk Road*, p. 81, Figure 2.17.
18. Joshua Eisenman, "China's Post-Cold War Strategy in Africa: Examining Beijing's Methods and Objectives", in Joshua Eisenman, Eric Heginbotham and Derek Mitchell (eds), *China and the Developing World*, Armonk, NY and London: M. E. Sharpe, 2007, p. 38.
19. In 2005, China purchased about 770,000 barrels of oil per day from Africa, while the US imported more than three times that amount: 2.4 million barrels per day (Shinn, "Free Trade, Fair Trade", p. 3).
20. Broadman, *Africa's Silk Road*, p. 82, Box 2.1.
21. Eisenman, "China's Post-Cold War Strategy", pp. 38-9.
22. *Ibid.*, p. 220.
23. IMF, *Direction of Trade 2006 Yearbook*. Germany and the US are Africa's third- and fourth-largest suppliers. Professor Gordon Bennett supplied us with this data.
24. This is out of a total of \$793 billion in China's exports to the world in 2005 (Eisenman, "China's Post-Cold War Strategy", p. 220, from IMF *Direction of Trade* statistics). Eisenman also reports that "Chinese producers have secured large portions of the African textile and electronics markets and have established their own sales outlets throughout the continent" (p. 41, emphasis added).
25. Broadman, *Africa's Silk Road*, p. 12.
26. *Ibid.*, p. 85, Figure 2.18.
27. Eisenman reports that RSA and Lesotho "have seen tens of thousands of workers in the textile sector lose their jobs [to Chinese imports], and there is growing backlash against Chinese products and workers" ("China's Post-Cold War Strategy", p. 42); Amosu, "China in Africa", pp. 4-6.
28. South Africa's share of all outer garments and knitted clothing (SITC 8459) exported by China to Africa in 2002-4 was, on average, 59 per cent (Broadman, *China's Silk Road*, p. 122, Table 2A.6). South Africa's average share of all Chinese colour TVs (SITC 7611) exported to Africa during this period was about the same (55 per cent) (*ibid.*).
29. *Ibid.*, p. 12.
30. Shinn, "Free Trade, Fair Trade", p. 3.
31. Broadman, *Africa's Silk Road*, pp. 12 and 47. Africa accounted for 5 per cent of all outflows in 2004 (total Chinese outflow in 2004 was \$5.5 billion) (*ibid.*).
32. *Ibid.*, p. 100. Another figure that we can perhaps use for purposes of comparison is the UNECA's reporting of yearly total net inward FDI for SSA. They report yearly inflows of \$13.6 billion for 2003, \$11.3 billion for 2004, and \$17.6 billion for 2005. See United Nations Economic Commission on Africa (UNECA), *Economic Report on Africa 2007: Accelerating Africa's Development Through Diversification*, Addis Ababa: UNECA, 2007, p. 95, Table 3.3.

33. Ibid., p. 26, Box 1.1.
34. Chris Alden, "China in Africa", *Survival*, vol. 47, no. 3, Autumn 2005, p. 149.
35. French, "Commentary: China and Africa", p. 127.
36. Broadman, *Africa's Silk Road*, p. 12.
37. Carol Lancaster, "Center for Global Development Essay: The Chinese Aid System", CGD, June 2007, at [www.cgdev.org](http://www.cgdev.org).
38. French, "Commentary: China and Africa", p. 127. See Deborah Bräutigam, *Chinese Aid and African Development*, New York: Macmillan, 1997, p. 44, for disbursements of Chinese aid to Africa 1960-96. See also Deborah Bräutigam, "Foreign Aid and the Export of Ideas: Chinese Development Aid in the Gambia and Sierra Leone", *Journal of Commonwealth and Comparative Politics*, vol. 32, no. 3, November 1994, pp. 325-49, and Deborah Bräutigam, "Close Encounters: Chinese Business Networks as Industrial Catalysts in Sub-Saharan Africa", *African Affairs*, vol. 102, no. 408, 2003, pp. 447-67.
39. Alden, "China in Africa", pp. 147-64.
40. Lancaster, "Center for Global Development Essay", p. 3.
41. Debt forgiveness is, however, a line-item that the Chinese government does like to announce, for example: "At the China-Africa Cooperative Forum in 2003, China announced debt forgiveness to 31 African countries, amounting to \$1.27 B" (Alden, "China in Africa", p. 151).
42. Lancaster, "Center for Global Development Essay", p. 5.
43. French, "Commentary: China and Africa", p. 127.
44. As a per centage of GDP, net official flows ODA to Africa in 2004 (\$26 billion, 18 per cent of which was in the form of debt forgiveness, which represented 5 per cent of African GDP) was lower than the figure recorded in 1990 (6 per cent of GDP). ODA in 1992 was \$19 billion. (UNECA, *Economic Report on Africa*, pp. 92, 94).
45. Alden, "China in Africa", p. 155.
46. Ibid., p. 156.
47. Amosu, "China in Africa", p. 4.
48. Amosu writes that "For PM Meles Zenawi of Ethiopia, the inflow of investment from China is a concrete demonstration that the Western model of development has failed. He spoke in February 2007 of the need to build 'a strong developmental state,' complaining that the 'neo-liberal reforms' advocated by the World Bank and others have failed to 'generate the kind of growth they sought' ... The implication is that African leaders should worry less about meeting demands for transparency, accountability, rule of law, and other such 'neo-liberal' objectives and focus instead on economic growth. With China in the picture, they will get the resources they need." (Ibid., p. 3).
49. Walden Bello, "China Provokes Debate in Africa", *Foreign Policy in Focus*, 9 March 2007, at [www.fpif.org/fpiftxt/4065](http://www.fpif.org/fpiftxt/4065).
50. Amosu, "China in Africa", p. 6. Van de Walle wrote that "under the SAPs, the proportion of expenditures devoted to public infrastructure had declined sharply ... creating a critical obstacle to renewed economic growth" (*African Economies*, pp. 88-9).
51. Bosshard, "China's Role", p. 4.
52. Amosu, "China in Africa", p. 1.

53. Ibid., p. 2.
54. Eisenman explains that the loans to Angola also attracted attention because they "allow[ed] Angola to turn its back on an IMF package that would have demanded greater accountability and the adoption of improved governance measures" (Eisenman, "China's Post-Cold War Strategy", p. 48). He also notes that Beijing's loans to Angola were backed by oil - "if [Angola] cannot repay loans in cash, Beijing will take oil" (ibid., p. 48). In general, the policy of the IFIs was to eliminate such barter deals.
55. BBC, "China opens coffers for minerals", 18 September 2007, posted at BBC.com, <http://news.bbc.co.uk/2/hi/africa/7000925.stm>.
56. Brian Smith, "Western concern at China's growing involvement in Africa", World Socialist Web Site, 10 April 2006, p. 4, at [www.wsws.org](http://www.wsws.org).
57. Bello, "China Provokes Debate".
58. See Lucy Corkin, "China's Emerging Multinationals in Africa", 21 September 2007, posted at Pambazuka News, Africa and China Forum, at [http://www.pambazuka.org/en/category/africa\\_china/43411](http://www.pambazuka.org/en/category/africa_china/43411).
59. Bello, "China Provokes Debate".
60. "CNOOC may buy Shell's Nigeria Assets", *China Economic Review*, 22 November 2007, posted at [www.chinaeconomicreview.com](http://www.chinaeconomicreview.com).
61. Bello, "China Provokes Debate".
62. Ibid.
63. BBC, "China opens coffers".
64. Alden, "China in Africa", pp. 148-9.
65. For example, it was China's Nonferrous Metals Corporation (an SOE) that purchased mining rights at Chambishi in 1998. A terrible accident at this mine in 2005 killed 40 Zambian workers and fuelled Zambian resentment of the Chinese. See *The New York Times*, 21 August 2007.
66. French, "Commentary: China and Africa", p. 129.
67. Alden, "China in Africa", pp. 149-50.
68. Bosshard, "China's Role", pp. 1 and 2.
69. Broadman, the source of the \$12.5 billion figure, says that "the recent explosion of China's official economic support to Africa has been largely in the form of loans by the Ex-Im Bank" (*Africa's Silk Road*, p. 275). According to Bosshard, the Ex-Im Bank "aims to expand its loans by 15-20 per cent per year. A growth rate of 15 per cent would increase its lending to approximately \$40B in 2010 - considerably more than lending by another other export credit agency or the World Bank ("China's Role," p. 4).
70. Alden, "China in Africa", pp. 151. The same could perhaps be said of China's weapons sales to Nigeria, Sudan, Zimbabwe, and the governments of the Great Lakes regions. On weapons sales, see Bello, "China Provokes Debate"; Alden, "China in Africa", pp. 159-61, Eisenman, "China's Post-Cold War Strategy", pp. 48-50.
71. Amosu, "China in Africa", p. 5.
72. Alden, "China in Africa", p. 149.
73. The Zambia-China Mulungushi Textile Joint Venture Ltd. (ZCMT) was thriving in 2003, with out-grower schemes for 5,000 contracted cotton farmers, cotton ginning,

- production of yarn, fabric, garments and cotton-seed oil, eighteen retail outlets in Zambia, and exports to the region (*People's Daily*, 27 November 2003). The factories were not operating at all in August 2007, according to *The New York Times*, 21 August 2007.
74. Alden, "China in Africa", p. 155.
  75. French, "Commentary: China and Africa", p. 132.
  76. Alden, "China in Africa", p. 155. See also Amosu, "China in Africa", p. 4; French, "Commentary: China and Africa", p. 132.
  77. *This Day*, 6 November 2007, article A-13.
  78. See Alden, "China in Africa", p. 155; Shinn, "Free Trade, Fair Trade", p. 4; Eisenman, "China's Post-Cold War Strategy", p. 36.
  79. Bello, "China Provokes Debate".
  80. Gareth Evans and Donald Steinberg, "China and Darfur: 'Signs of Evolution'", *Guardian Unlimited*, 11 June 2007, posted by International Crisis Group, [www.crisis-group.org/home/index.cfm?id=4891&=1](http://www.crisis-group.org/home/index.cfm?id=4891&=1). See Jonathan Holslag, "Friendly Giant? China's Evolving Africa Policy", *Asia Chapter*, vol. 2, no. 5, BICCS Background Chapter, The Brussels Institute of Contemporary China Studies (BICCS), 24 August 2007, pp. 4, 8-9, posted at [www.vub.ac.be/biccs](http://www.vub.ac.be/biccs).
  81. Onwuka Nzeshi, "AAGM: China donates \$5.5m Drugs to Country", *This Day*, 6 November 2007 (NA-13).
  82. Paul Ibe, "Country targets \$10bn Revenue From Tourism in 7 Years", *This Day*, 14 September 2007 (NB-8).
  83. Calculated from IMF Direction of Trade Statistics, <http://www.imfstatistics.org/DOT/>. The denominator is China's exports to all of Africa.
  84. Constance Ikokwu, "China Surpasses US and Country's Import Partner", *This Day*, 3 August 2007 (NB-29).
  85. *Business Day*, *Cape Times*, *Daily News* (SA), *Johannesburg Stock Exchange*, *Pretoria News*, *Rand Merchant Bank Report*, *Media Institute of South Africa*, *South Africa Business Intelligence*, *Independent on Saturday* and *Sunday Independent*.
  86. Wendy Jasson da Costa, "Rag trade gains, thanks to quotas", *Pretoria News*, 30 August 2007 (SA3-13).
  87. Aneez Salie, "Chinese Bank to buy 20 per cent of Standard Bank for \$5.6bn in cash", *Cape Times*, 26 October 2007 (SA2-5).
  88. Andrew Walker, "JSE Big on Chinese Fever", *Sunday Independent*, 28 October 2007 (SA2-3).
  89. Hillary Joffe, "Good lesson in how to clinch a painless deal", *Business Day*, 26 October 2007.
  90. Boyd Webb, "More vying for 2010 contracts", *Pretoria News*, 8 March 2007.
  91. Alden, quoted in Oscar Stuart, "Growing Interest in Motives, Benefits, of China's Africa Push", *Daily News*, 25 October 2007 (SA2-7). On the negative side, sceptics warned of some caution, as reflected in the comments of a local citizen who noted that China's involvement in continent was "controversial", in that it failed to put emphasis on human rights and urged South Africans to exercise "moral restraint" while involving them in deals with major stakes (referring to the multi-billion Rand Standard Bank and the ICBC deal). See Ross Harvey, "Chinese Puzzle", *Business Day*, 1 November 2007 (SA1-38).

92. Philip Ngungiri, "Court Release 'Fake Biros'", *The East African*, 20 November 2007 (K4-8).
93. "What China Can Teach Us", *The Nation*, 19 April 2006 (K2-49).
94. "Chinese Government Answers Critics of Its Development Policies", *The Nation*, 26 April 2007 (K1-38).
95. "Yes, Let's Court Libyans", *The Nation*, 7 June 2007 (K1-29).
96. Makau Mutua, "Why Country Should Be Wary of China", *The Nation*, 1 June 2007 (K1-24).
97. "In an unprecedented act of generosity, the government in April gave the state-owned China National Offshore Oil Company Ltd (CNOOC) exclusive rights over a total of 6 out of 11 available blocks, including the hotly contested Blocks 9 and 10A in the Mandera area" ("Country Gifts Six Key Oil Blocks to China", *The East African*, 10 October 2006 (K2-19)). See also Jaindi Kisero, "Region Changing Its Investment Partners", *The Nation*, 16 May 2007. Oil prospecting is taking place along the coast and in northern Kenya.
98. "China Selling Off Oil Rights It Got for Free", *The East African*, 25 February 2007 (K1-46).
99. Jeff Otieno, "Kenya-China Trade to Grow After Accord", *The Nation*, 29 April 2006 (K2-40).
100. "China Offers Military Aid", *The Nation*, 19 November 2007 (K2-10).
101. Gitau Warigi, "Why China Link is Vital for Kenya", *The Nation*, 30 April 2006 (K2-33); Njoroge Wachai, "China Doesn't Serve Our Interests", *The Nation*, 27 April 2006 (K2-42).
102. Wachai, "China Doesn't Serve Our Interests", (K2-42).