A New Colonialism for Africa?
Towards An Understanding of China-Africa Relations
Karim Dewidar

The literature on China-Africa relations today is focused on the issue of imperialism and neo-colonialism, that is, are the Chinese exploiting the African continent like Western countries have done in the past? Chinese scholars are going to great lengths to attempt to show why the relationship is a “win-win,” and that China is not exploiting the African continent. Conversely, many Western analysts are equally as eager to show that China’s policy is exploitative and simply a form of neo-colonialism. However, both sides get it wrong because neither paradigm alone is a correct characterization of China-Africa relations. China’s foreign policy in the African continent is neither benign nor neo-colonial. It is a pragmatic economic and political move by China, which is seeking greater economic and political cooperation with Africa. Though, it is taking a different approach from that of the West.

China’s growing prosperity and increasing role in international affairs have led to an increase in Chinese foreign direct investment all over the world. As China’s economy grows so does its energy and resource needs, Africa will invariably become an area of interest by China. Also, Africa is an increasingly lucrative market for exports. Naturally, China seeks closer political, social, and military ties as well. This is evident with China’s foreign aid to Africa, peacekeeping missions, and other social initiatives by China in Africa.

Though China’s engagement with Africa is not neo-colonial, China provides development aid, often in the form of infrastructure projects. This will improve Africa’s economic self-sufficiency. Most of the Chinese firms that operate in China are private firms and small or medium sized state owned enterprises. Also, China is building on its long relationship with Africa that has not been exploitative and based on mutual recognition of sovereignty.

However, China’s new relationship with Africa requires scrutiny, as there are concerns China is using its influence to exploit African countries. Many of the infrastructure projects seem to serve the interests of Chinese firms operating in Africa. There is also relatively little “aid” given by China and the bulk of the money flowing into Africa are to fund private Chinese business ventures. China’s investment tends to favor a select group of African countries. These select countries tend to be natural resource exporters, whereas China mostly imports oil and other minerals from Africa. In addition, there is a trade deficit with Chinese manufacturers seemingly flooding African markets to the detriment of African producers. There are no real indications that China’s investments are yielding benefits to Africa overall.

THE MYTH OF CHINESE COLONIALISM IN AFRICA

Given the disparity between China’s economy and those of the various African countries it is investing, it has been accused of perpetuating conditions of neo-colonialism in Africa. The essence of neo-colonialism is that, “The State which is subject to it is, in theory, independent and has all the outwards trappings of international sovereignty. In reality its economic and thus its political policy is directed from outside.”

Even though countries of Africa won their independence in the second half of the 20th century, the former European imperialist powers and other Western states like the U.S.

---

have retained elements of old colonial arrangements. Many Western companies dominate the key African industries of mineral extraction and agriculture. Also, many African states remain dependent on aid and investment from Western countries just to provide basic services. Much of this aid places conditions on the recipients such as policies of economic and political liberalization. One of the most famous example being the “structural readjustment policies” that the International Monetary Fund imposes on African states that receive supports. Most former colonies rely solely on natural resource exports and cannot make the leap to more developed and self-sufficient economies. The end result is that former colonies, despite being “free,” remain no more independent now than as colonies.

China’s interest in Africa is not new and has never included colonialism in the traditional sense. There are records of Chinese-African trading dating back to the Tang Dynasty (A.D. 618-907), but it was under the Ming Dynasty in the 13th century that saw Chinese penetration of the African continent. Admiral Zheng led expeditions to Africa’s east coast on various occasions, primarily parts of modern day Somalia and Kenya. The Chinese Emperor used these “Treasure Fleets” to project China’s wealth and power. The early Chinese diaspora came neither as conquerors nor immigrants. Contemporary China-Africa relations are built upon these early interactions, which are relatively benign when looking at European settlement of Africa.

During the Cold War, China’s policies were guided both by their geopolitical struggle with the Soviet Union and a genuine interest in “south-south” solidarity. In the 1950’s China went on a “charm offensive,” which was guided by its 5 Principles of Peaceful Coexistence. Though at its core, China’s diplomacy emphasized the sovereignty of African nations that were targets for U.S. and Soviet Cold War interventions. Having suffered from foreign occupations during the Century of Humiliation, China especially sympathized with Africa, which was still largely colonized. By the 1960s, with the creation of the Afro-Asian Solidarity Organization, the continent had become an essential part of Chinese foreign policy. All throughout the Cold War, China supported independence movements and revolutions such as: Algeria’s FLN, the Mozambique Liberation Front, and Angola’s UNITA (National Union for the Total Independence of Angola) in Angola. China’s foreign policy also included economic assistance. Egypt was offered a $5 million trade credit during the Suez Crisis and in 1964 provided an $80 million interest-free loan to cover the cost of Chinese goods and services. China also funded the construction of a railway connecting Tanzania and Zambia in 1976.

China’s African policies were not only motivated by ambition to overtake the Soviet Union as the leader of the Communist Revolution, but also by the desire to help liberate the oppressed. In 2006, President Hu Jintao articulated China’s Principles for engagement with Africa and is almost no different than the 5 Principles articulated by Premier Zhou Enlai in 1955.

The winding down of the Cold War led to the U.S. and the Soviet Union to shift their attention away from the Sub Saharan region and more towards the Middle East. In

---

4 David Shinn and Joshua Eisenman, China and Africa: A Century of Engagement, 22.
5 Shinn and Eisenman, China and Africa: A Century of Engagement, 34.
6 Ibid, 35.
7 Ibid, 230.
1996, President Jiang Zemin visited Ethiopia and laid out China’s African policy approach. It was a 21 point proposal, but the key themes for China’s engagement with Africa were: respecting sovereignty, seeking of mutually beneficial economic development, promoting African cooperation-unity, and building a long term friendship. In 2000, China’s Ministry of Foreign Affairs created the Forum on China-Africa Cooperation (FOCAC) as a mechanism for facilitating this new relationship.

Contrary to popular belief, the majority of Chinese firms that invest or trade abroad are privately owned and thus they are not just arms of the Chinese state that can be used to affect geopolitics. About 70% of China’s total outward foreign direct investments consist of joint ventures; collaborations between Chinese firms and private foreign firms. That is, all the trade and commercial activities taking place are being facilitated predominantly by private firms on both ends. According to China’s Export-Import Bank, of the 800 large companies operating in Africa in 2006, 85% are privately owned. Rather than collaborate to implement a grand strategy for China on the African continent, the interests of private firms vary as they compete for market share. Those accusing China of trying to dominate the African continent presume its trade is being carried out by large state owned enterprises. This assumption is wrong because most of the Chinese firms in Africa are “small and medium sized enterprises,” both private and government owned. Companies run by provincial and local jurisdictions also invest in Africa. Although encouraged by the central government’s “going out strategy” in the 90’s, these state owned firms are not merely pawns for the central government. They compete with other smaller state owned firms and ultimately are out to make money; they are not concerned with wider geopolitical objectives of the China central government. This fragmented and competitive environment for SMEs is a stark contrast from the perception that many have of Chinese enterprise in Africa, namely large oil companies like Sinopec. Chinese firms in Africa do not constitute a monolithic bloc of state owned enterprises.

Another mischaracterization of China-Africa relations is the Chinese diaspora, often used to support the argument that China is undertaking some colonial venture in Africa. There are about one million Chinese natives in Africa today, many of them having come over during the last decade. Although some are wealthy businesses owners or professionals, the majority are petty merchants, shopkeepers, and farmers. They predominantly come from interior provinces like Henan or from coastal areas with tough job markets like Fujian and Guangdong. Many of those interviewed by journalist Howard French, who traversed Africa seeking to learn more about the Chinese diaspora, complained about being squeezed out of China, both economically and socially. French remarks that they are like ambitious frontiersmen. There is no evidence to show

---

9 Shinn and Eisenman, China and Africa: A Century of Engagement, 47.
12 Shinn and Eisenman, China and Africa: A Century of Engagement 129.
13 Ibid.
14 Ibid.
17 Ibid.
18 Ibid., 25.
19 Ibid., 31.

JPI: Fall 2015 Issue
that this is the result of a policy by the central government to encourage travel to Africa.

**IS CHINA’S RELATIONSHIP WITH AFRICA REALLY A “WIN-WIN?”**

To decipher what China’s intentions are on the African continent, the Chinese policy of giving “aid” needs to be distinguished from its foreign direct investment. Both Chinese officials and Western critics alike talk about the two interchangeably, but they are distinct. Foreign aid, which comes from China’s Central government, has always been part of China-Africa relations. China officially provides 8 types of foreign aid: complete projects, goods and materials, technical cooperation, human resource development cooperation, medical assistance, emergency humanitarian aid, volunteer programs, and debt relief.20

The problem is that the amount of aid given is relatively small. In 2012 alone, the U.S. provided $7.08 billion in development assistance to African countries.21 This does not even include World Bank financing. As of 2009, the cumulative-historical aid given to African countries by China was no more than $25 billion.22 Between 2001 and 2007 alone, China invested $15.6 billion in Sub Saharan Africa’s oil and mineral sector.23 To cover the economic imperative of its relationship with Africa, China frequently highlights its aid programs instead. Indicative of China’s tendency to pass off lucrative commercial endeavors as a form of aid are Special Economic Zones. These are geographic areas equipped with infrastructures and liberalized business laws to attract foreign investment.24 These privately managed free trade zones often cater to the needs of Chinese firms more than anything else.25

A misperception perpetuated by China is that it is interested in trading and with the entire African continent. Chinese policy in Africa is presented as an endeavor to benefit to Africa as whole. Take for example a 2006 white paper on China’s African policy. One of the objectives it stated is, “Mutual benefit, reciprocity and common prosperity. China supports African countries endeavor for economic development and nation building, carries out cooperation in various forms in economic and social development, and promotes common prosperity of China and Africa.”26

Though in reality, trade is highly concentrated with just a few countries. China’s top African trading partners are: Angola, South Africa, Sudan, Nigeria, and Egypt.27 About 75% of China’s total imports, namely oil and minerals, come from Angola and South Africa alone.28 Over 40% of China’s exports go to just three African countries: Egypt, Nigeria, and South Africa.29 The much-discussed Special Economic Zones are being set up in just 7 countries: Zambia [which is getting 2], Mauritius, Egypt, Zambia,

---

20 Ibid.
25 Ibid. 141.
29 Ibid.
Nigeria, Tanzania, and Ethiopia. Thus, China’s trading partners make a small portion of the continents 54 countries.

China has vigorously argued that it is not primarily interested in Africa’s natural resources, namely oil, though the numbers make a compelling case against them. By 2009 80% of China’s imports from Africa consisted of petroleum products and metals, for example, copper. Not surprisingly, 4 of Africa’s top 5 exporters to China primarily export oil and other minerals. Though oil makes up the largest proportion, accounting for 64% of China’s total imports from Africa. China used to be an energy self-sufficient country, but in 1993 it became a net importer of oil as its economy expanded.

China is now the second largest consumer of petroleum and is projected to become the largest consumer by 2030, at which point it will be importing 60-70% of its crude oil supply. Currently, China imports about 23% of its oil from Africa and this is expected to increase as it continues to secure more oil concessions and invests more in exploration.

Although private business and SMEs are ostensibly overseeing China’s economic reapproach to the African continent, the central government still plays an important role by financing and promoting Chinese-African business ventures. The central government provides aid such as concessional loans and grants to various African countries. This is done via China’s Central Bank and government funds such as: the China Export-Import Bank, China-Africa Development program, and the Agricultural Development Bank of China. Beyond financial institutions, China’s Ministry of Commerce and its Ministry of Foreign Affairs are vital to the process as well; they liaise with African heads of state. Through loans, grants, and construction projects these agencies open up channels of investment and trade in African countries. The foreign aid offered at this part of the process, “to grease the wheels,” is what gets so much attention. This includes: loans for infrastructure projects, medical assistance programs, and grants.

Perhaps China is not solely interested in extracting natural resources from Africa, but also the access to them. It has been part of arrangements made with various African countries that were offered aid and development finance. The Chinese like to emphasize their “no strings attached” aid to Africa, which is in contrast to Western countries that provide aid, but have conditions imposed on the recipient. Though not agreed to openly, there is actually “tacit conditionality,” that comes with aid given to African countries. Often, it is concessions-access to oil or minerals. This is what Chinese-African analysts have named the “Angola Model.” In 2004 Angola broke off negotiations with the IMF and turned to China for financial assistance, securing a $2 billion loan with quite a generous interest rate. By 2007 Angola had become China’s second largest oil supplier in Sub Saharan Africa. Angola agreed to repay the loan in oil to China at a price not subject to market change. In 2006, China’s state oil firm Sinopec won the bid for a lucrative offshore oil concession, “Block 18”. Later that year

30 Rotberg, China into Africa: Trade, Aid, and Influence, 143-149; Shinn and Eisenman, China and Africa: A Century of Engagement, 136-137.
31 Shinn and Eisenman, China and Africa: A Century of Engagement, 117.
32 Hanauer and Morris, Chinese Engagement In Africa: Drivers, Reactions, and Implications for U.S. Policy, 30.
33 Alessi and Xu, “China in Africa,”
34 Ibid.
35 Ibid.
36 Ibid.
37 Ibid.
38 Ibid.
39 Ibid.
40 Ibid.
41 Ibid.
42 Ibid.
when China’s Premier Wen Jiabao visited Sudan he announced a supplemental $2 billion dollar loan. This is not unique to Angola and this form of payment in resources is common as well for other African-Chinese agreements.

China is quick to point out that their relations with Africa are not a colonial or neo-colonial endeavor because it has no significant military installments in Africa to speak of. Strictly speaking, China does not have military bases, but it has a growing presence on the African continent. Estimates of PLA forces in Africa are as high as 5,000 and China has high-level military engagements with 43 African countries. It is increasingly common for military personnel from various African countries to go train and study in Chinese defense colleges. Now, China has an extensive network of defense attaché offices, used to coordinate military contacts, in 1 out of 3 African countries. These offices are most concentrated in African countries where China has significant commercial interests such as: Angola, South Sudan, Ghana, Nigeria, and South Africa. China is set to begin building its first military base in the key coastal country of Djibouti. China’s military presence is also marked by their growing peacekeeping force, which are found in: South Sudan, Sudan (Darfur), the Democratic Republic of the Congo, Liberia, Western Sahara, and the Ivory Coast.

China’s intentions need to be called into question despite the modest size and benign disposition of its armed forces in Africa. What Beijing does not mention is that China is also the largest arms supplier to Sub Saharan Africa, particularly small arms. A steady flow of small arms into Africa over the years has fueled countless conflicts. China has no qualms about selling arms to questionable regimes either. China provides arms to Equatorial Guinea, a notoriously corrupt and cruel regime, even by Sub Saharan standards. China has also been investing heavily in oil exploration in Equatorial Guinea. It even provided arms to South Sudan as it was carrying out its genocide in Darfur and in 2011 they offered the Gaddafi regime weapons to help fight U.S.-NATO forces.

**ASSESSING CHINA’S INVESTMENT: LOOKING AT SOME FIGURES**

Both the Chinese and many of their African partners claim their new relationship will help the African continent prosper, but the numbers show a complicated picture. Average annual growth was 5.7% from 2000-2010, when China began trading and investing substantially more with Africa. Average annual growth for the African

---

40 Ibid. 120.
43 Ibid.
48 Hanauer and Morris, 47.
continent over the last 2 decades has been 4.4% according to the World Bank. Most growth over the last decade has been mainly by oil and mineral exporters such as Angola: 10.8% (2004-2013), Ghana: 7.6% (2004-2013), and Zambia: 7.1% (2005-2015). For others that are not primarily oil exporters growth has not been spectacular despite being key trade partners with China. During the last decade or so, growth for South Africa has been on average under 5% and for Egypt around 4.3%. However, poverty trends indicate modest improvements. In 1990, 56.6% of Africans were living under the poverty line subsisting on $1.25 or less per day. As of 2011 it had decreased to 46.8%.

**EMERGING TRENDS AND HOW TO MAKE SENSE OF CHINA-AFRICA RELATIONS**

Chinese leaders have stressed that investments being made in the African continent are not just handouts, but rather for the purpose of helping to build up Africa’s capacity. China’s commercial investment and aid projects were supposed to offer both physical and human capital to the African continent. The FDI China provides is supposed to build up the African economy and increase self-sufficiency. Contrary to the claims of Chinese officials, the investments by design seem to perpetuate the conditions of Africa’s human and physical infrastructure that keep the continent impoverished.

China’s policies have not helped employ or train Africans, nor provide the necessary infrastructure. Most firms, even those in low pay, low skill sectors such as construction or mining, are hesitant to hire Africans. They claim that the locals are not qualified and they do want to train them either. Instead, contract laborers are brought in from China at 10 times the cost. The Chinese firms are going out of their way to not hire Africans. As noted previously, little of China’s investment in Africa constitutes aid, thus there are less resources spent on educational and vocational training. Since the first FOCAC meeting in 2000, the total number of jobs and education initiatives pledged are in the tens of thousands. This does not put a dent into the hundreds of millions in Africa that are unemployed or are seeking opportunities to acquire new skills for higher paying jobs, at least $2 day.

Many question if the infrastructure being developed is really intended for the benefit of Africa. It seems that the infrastructure built so far is just to help Chinese companies import their cheap goods for sale in Africa and for state owned companies to move natural resources out. China’s aid mainly finances the building of roads, railways, and ports that mostly serve the needs of Chinese firms. What Africa really needs are telecommunications and energy infrastructure -- Electricity is a pressing social and economic need; according to USAID 70% of people in Sub Saharan Africa are without adequate power. However, these kinds of projects are costly and do not provide fast returns for developers. Also,

---

51 Ibid.
53 World Bank, Poverty and Equity: Sub Saharan Africa.
54 French, China’s Second Continent: How A Million Migrants Are Building a New Empire in Africa, 54.
55 Ibid.
56 Shinn and Eisenman, China and Africa: A Century of Engagement, 210,213.
57 Rotberg, China into Africa: Trade, Aid, and Influence (Cambridge: Brookings Institution Press, 2008), 73.

*JPI: Fall 2015 Issue*
Chinese investment has been used to build lavish public buildings and sports arenas. These “white elephants” serve no practical purposes, but are popular and help politicians score political points. It also remains to be seen how the Special Economic Zones are going to help, which are mainly in being set up near ports and resource extraction points.

It is not clear what description best portrays contemporary China-African relations, but it is certain that it cannot be considered strictly exploitative and neocolonialism. Yes, China is interested in Africa’s natural resources, but China is purchasing it from African countries and even providing social assistance as well. This is distinctly different from European countries that robbed Africa of its resources and inhabitants. Furthermore, China does not exploit African labor, as Chinese firms go to great lengths to avoid using African workers.

What we do know is that it is not a “win-win” relationship between China and the African continent. China has been adamant about respecting the sovereignty of its African partners, but the relationship it will have with its African partners is extremely asymmetrical. We must disaggregate our view of Africa. All 54 African countries do not work together and coordinate their foreign policy with China. Rather, they all have varying amounts of resources and forms of leverage when dealing with China. However, ultimately China will get its way. This is not to say China will be exploitative, but it is hard to say no to China. Very few African governments, even those getting a raw deal, will push back. In 2012, South African president Jacob Zouma spoke out about the asymmetry in trade with China. South Africa has a large trade deficit with China and its textile industry has been decimated by cheap Chinese imports over the last decade. But little has changed and trade continues.

Despite some incidents of social unrest, there are no pervasive feelings of a “China problem” by Africans. There is little research on how Africans feel about the Chinese, but there is no evidence to support the claims by Western media and Chinese officials that anti-Chinese sentiments are common. A 2007 study by Barry Suatman and Yan Hairong based on polling of university students in various African countries, showed that favorability of the Chinese varied markedly by country, that there was no “African consensus.” Though, economic relations seem to be a good barometer for support. Polls show that those in African countries that have a trade deficit with China will more likely express anti-Chinese sentiments and vice versa.

Although China’s economic influence in Africa has increased markedly over the last decade, it is still quite modest compared to the West. This needs to be considered when assessing whether or not Africa is becoming China’s colony. In 1990, trade with China represented just 0.75% of Africa’s total trade and today it less than 14%. For China, trade with Africa accounts for less than 3% of its total trade. China did not surpass the U.S. to become Africa’s largest trading partner until 2009, and even then, the total stock of

61 Julia Strauss and Martha Saavedra, China and Africa: Emerging Patterns in Globalization and Development (United Kingdom: Cambridge University Press), 179.
62 Ibid. 186.
63 Hanauer and Morris, Chinese Engagement In Africa: Drivers, Reactions, and Implications for U.S. Policy, 61.
64 Shinn and Eisenman, China and Africa: A Century of Engagement, 116.
65 Ibid.


JPI: Fall 2015 Issue
Chinese commercial investments in Africa was $1 billion, compared to the U.S.’s $96 billion.\textsuperscript{66} China’s numbers for foreign direct investment are quite low as well. China is investing on average $1.5 billion in Africa annually, but this is less than 3% of their total global FDI.\textsuperscript{67} To put that in context, about 70% of its FDI goes to Asia and 15% to Latin America.\textsuperscript{68}

**CONCLUSION-LOOKING FORWARD**

China’s contemporary engagement with the African continent is without precedent and it is too soon to tell how it will pan out. There are, however, some parts of the relationship that can have a significant impact down the line. China claims to adhere to a policy of “non-interference.” Though, its increasing military and peacekeeping presence is testing the limits of this policy. Another thing to watch for is the growing debt being accumulated by various African countries. Even mineral rich countries like Angola may have problems paying back debts if commodity prices drop. So far no evidence exists that they are too burdensome, but the historical precedence of African countries being indebted to foreign creditors is hard to ignore. What will China do then?

It is hard to draw a parallel between China’s resource trade with Africa today and the resource extraction undertaken by European empires throughout history that colonized Africa. This was done through slavery of the indigenous population and appropriation of natural resources without any compensation. Though at the same time we must also recognize that China’s interest in Africa’s natural resources is exploitative and self-serving.

Moreover, China is trying to highlight its differences from its Western predecessors, attempting to avoid the replication of the paternalistic view the West has of Africa. For centuries the West has been trying different strategies to civilize, modernize, and develop Africa. Investing in Africa and developing the continent’s infrastructure should be seen as a means by China to help increase Africa’s self-sufficiency. China does not seem to be interested in trying to export its political-economic model or to Sinicize Africa. Ultimately, it is seeking an economic partnership with Africa that is based on their long history of solidarity.

This phase of Chinese-African relations is still quite new and the mixed signals economic indicators give make it hard to gauge the impact of China’s investments. It is and will continue to be difficult to decipher China’s motives for providing aid and assistance to Africa. Though, if this relationship does yield mutual economic benefit and increasing political cooperation then does China’s motives really matter? Further research on the impact all this investment and cooperation is having on Africa is needed.


\textsuperscript{67} Shinn and Eisenman, *China and Africa: A Century of Engagement*, 133.

\textsuperscript{68} *Ibid.*