
China's Africa Policy



By Jonathan Story

In 2009, China overtook the U.S. as Africa's prime trade partner. It happened because China substituted the export of revolution for development at home. Mao died with few friends. Now China has many.

China is over 15 percent of the world's GDP, the world's prime exporter, with a foreign exchange hoard of more than US\$3 trillion, and an insatiable appetite for food, minerals and energy to fuel its industrial machine. But China is a latecomer to outward investment: by 2011, its outward reach represented below one percent of total global stock of outward investment, compared to Europe's 50 percent.

This has not prevented the Western media from talk of a "final war for resources". In the scramble to lay its hands on farms, mines and wells around the world (the argument runs), China aids and abets oppressive regimes in Myanmar, Zimbabwe or Sudan, praising their "special paths to development", while chastising former colonial powers and the United States for exporting "human rights" and "market democracy" to Africa.

China's African Policy

China's African policy is outlined in a seven-page policy paper issued in January 2006 by the Ministry of Foreign Affairs of the PRC. In essence, it states that China does not seek to intervene in the internal affairs of independent states, and is only interested in business. The document pledges to facilitate African commodities' access to Chinese markets, while helping Chinese companies—now numbered at over one million—to operate there, through the provision of preferential loans and buyer credits. Infrastructure and resources are specifically mentioned as key sectors for cooperation.

Africa's Failure to Develop

The EU and the U.S., by contrast, consider that poor governance is the prime reason for Africa's failure to develop in the fifty years since independence. As the African Development Bank Group has repeatedly pointed out, Africa ranks low on the UNDP's Human Development Index: 29 of the 31 countries in the world considered to have a low human development index are African; about 39 percent of Africa's 924 million people live on less than US\$1 a day.

China can claim with reason that the deals it offers of cash for infrastructure and access to food, minerals, and raw materials are good for Africa. Its presence there challenges corporations like Areva, France's uranium monopoly, to improve their terms in tough negotiations with Niamey.

There was some room for improvement. As **Xia Huang**, China's ambassador in Niamey, pointed out, "This country has already had uranium extraction for nearly 40 years. But when one sees that the direct revenues from uranium are more or less equivalent to those derived from the export of onions each year, there's a problem".

Commercial Interests

China's presence in Africa is driven by straight commercial interests, regardless of local politics. Niger's President, Mamadou Tandja, played the China card on uranium and oil concessions, and then in August 2009 staged a referendum to install himself for life. The opposition refused to participate. In February 2010, Tandja was overthrown in a military coup. Both new regime and China declared that business would proceed as usual.

China's motto in Africa could be borrowed from Charles Erwin Wilson, president of GM and then President Eisenhower's Secretary of Defence, who famously said that "What's good for General Motors is good for the country." The remark was true and controversial at the time. Applied to China in Africa, it is both true and controversial now.



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