## Vysoká škola ekonomická v PrazeFakulta mezinárodních vztahů

# China in Africa - Game Changer from The African Perspective?

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## **EXECUTIVE SUMMARY**

The thesis goal is to analysis the nature of China-Africa relation covering the historical aspect, dimensions of China's interest in the continent, its policy, cooperation mechanism as well as the impacts of their relation within the political and economic dimensions.



## **RESEARCH QUESTIONS**

The rhetoric question remains "is China a messiah or a dangerous dragon?" The core research questions include;

- 1. Is China-Africa relations truly a game changer for African countries?
- 2. Does China-Africa relations serve as a model for other leading developing countries to pursue their interest in Africa?
- 3. Who stands to benefit the most from China-Africa relations?

#### **NATIONAL INTEREST**

**Political Dimension**: maintaining national sovereignty, protecting the Chinese people's right and interest, establishing a new rational international order, and maintaining the PRC political interest in issues of ideology.

**Economic Dimension**: foreign trade, absorption of foreign capitals, technological acquisition, international tourism, international contracting and labour export.

**Security Dimension:** avoiding a military clash, avoiding confrontation with the United States, establishing a collective system of cooperative security, maintaining stability in the region, maintaining nuclear capability and preventing nuclear proliferation, and building a strong military force the Chinese way.

**Ideological/ Cultural Dimension:** Fostering national identity, fostering social morality, reviving the tradition of respecting knowledge and rejuvenating Chinese culture.

#### **FOREIGN POLICY**

#### Who Decides?

The CPC (exerts supreme authority), the State Council (through government structures), and the PLA which continues to shape the Chinese foreign policy in area of security and military.

#### **Objectives**

Maintenance of the CPC absolute control and legitimacy to govern, and that economic and social stability remains the core concern of the party's leadership.

#### **Strategies**

Win-win all around diplomacy strategy, which involves establishing and strengthening diplomatic relations with all nations (developed and developing), embracing all modes of international interactions (bilateral, multilateral, regional and organisational) within the political, economic, military, tourism, cultural, educational and science/technology sectors

#### SINO-AFRICAN RELATION

Maoist Period Sino-African Relations: China needed to break international isolation, battle the Soviet Union for primacy in the world's communist movement, and displace Taiwan as the internationally recognized government of China.

**Economic reform period Sino-African Relations:** China no longer developed relations with African countries based on ideology, also it moved away from loans and emphasized on other forms of development cooperation of mutual benefits

**Post-Cold War period Sino-African Relations:** it was clear that their relations were no longer base on emotions, but instead largely replaced by economic dimension

Twenty-First century Sino-African Relations: Deepened economic activities

#### **RENEWED INTEREST IN AFRICA**

**Political Dimension**: Enhancing the PRC international image and influence, isolation of Taiwan, countering problematic international norms (e.g. in human right and separationist related issues), and political stability of the African countries in which it currently has economic activities going in.

**Economic Dimension:** Source for natural resource imports, grow relatively underutilized market for exports and investment, and give an opportunity for Chinese firms to increase employment and gain global experience.

**Security Dimension:** Increase its political influence abroad (projecting itself as a responsible super power) and give its troops combat experience

**Cultural Dimension:** Confucius institutions, education and cultural exchange programs, and media outlets.

#### CHINA'S AFRICAN POLICY PRINCIPLES AND OBJECTIVES

- 1. Sincerity, friendship and equality
- 2. Mutual benefit, reciprocity and common prosperity.
- 3. Mutual support and close coordination.
- 4. Learning from each other and seeking common development.

#### FORUM ON CHINA-AFRICA COOPERATION (FOCAC)

- Founded 2000.
- Six Conferences so far (2000,2003,2006,2009,2012,2015,2018).
- Over \$150 billion in aid and finance packages.

#### **TRADE**

African Independence Era (1955 – 1966): <\$20 million - \$246.7 million Cultural Revolution/Pre-economic Reform (1967 – 1977): Up to \$707 million

Economic Reform Era (1978 – 1999): Up to \$7 billion

FOCAC era (2000- Present): \$204.19 billion

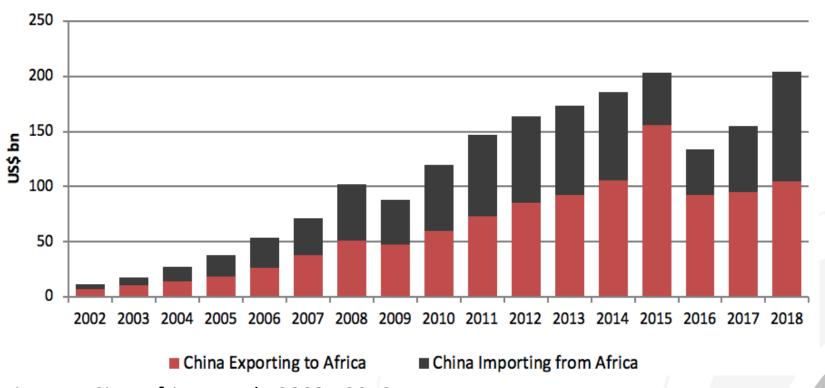


Figure 5. Sino-African Trade 2002 - 2018 Source: CARI, John Hopkins School of Advanced International Studies

#### **INVESTMENTS**

**SOEs and Private Enterprises** 

Volume \$359.92 Billion (Energy, Metals and Transport)

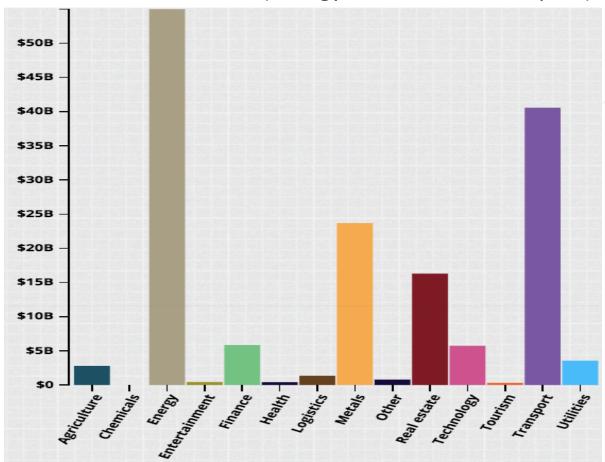


Figure 7. China's investment and construction contracts in Sub-Saharan Africa (2005 – 2018).

Source: American Enterprise Institute <a href="http://www.aei.org/china-global-investment-tracker/">http://www.aei.org/china-global-investment-tracker/</a>

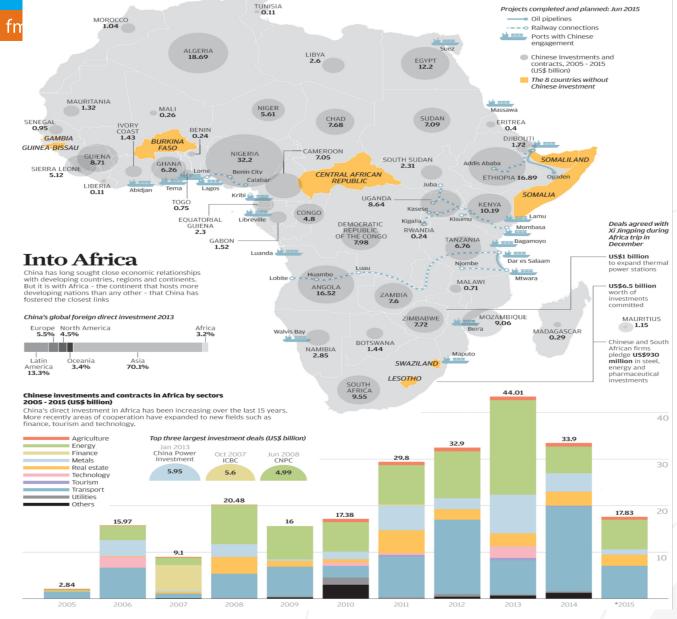


Figure 8. Infographic of China's total investments in Africa (2005 – 2015)

Source: SCMP <a href="https://www.scmp.com/news/china/diplomacy-defence/article/1887975/infographic-chinas-total-investment-africa">https://www.scmp.com/news/china/diplomacy-defence/article/1887975/infographic-chinas-total-investment-africa</a>

#### **AID**

- China does not publish country to country aid figures.
- Difficulty in understanding Chinese aid.

#### **Area of Aid**

- 1. Loans
- 2. Agriculture
- 3. Health
- 4. Education

#### **CHINA AND NIGERIA (CASE STUDY)**

- Recognized in 1971
- total investments and construction contracts between 2005 and 2018 to be \$49.9 billion.

Companies	Sector of activities	Assets (USD billion)	Employees	Investments in Nigeria
Sinopec	Oil and gas	152.80	373375	Blocks OML 64,66, 29% stake and operating rights to block 2, Nigeria- São Tomé Joint Development Zone
CNPC	Oil and gas	470.80	1.67 million (80 000 foreigners)	Licenses for OPL 471, 721, 732, 298
SEPC0	Electric power construction	38.60	19756	Papalanto Power Plant
CCECC	Construction	2.17	70 000	Rehabilitation of Palalanto-Lagos expressway, Athletes's village, lkot Akpaden-Okoroette road, Lekki Free Trade Zone
CSCEC	Construction, real estate	58.90	121 500	Refinary
CNOON	Offshore oil and gas	13.8	21 000	45% interest in offshore exploitation licence, OML 130
Sinoma	Cement Engineering construction	2.9	9000	in collaboration with Nigeria Dangot Group for cement production line EPC project in 2008
CGC	Construction	0.30	-	Kebbi Airport, Water supply project in Gombe, Sakke Dam
Huawei	Telecom	25.00	51 000	Network, handsets
ZTE	Telecom	13.00	85 232	CDMA, handsets

Figure 9. Major Chinese companies in Nigeria

Source: Margaret and Qi (2010) <a href="http://www.oecd.org/china/49814032.pdf">http://www.oecd.org/china/49814032.pdf</a>



#### **NIGERIA AND CHINA (CASE STUDY)**

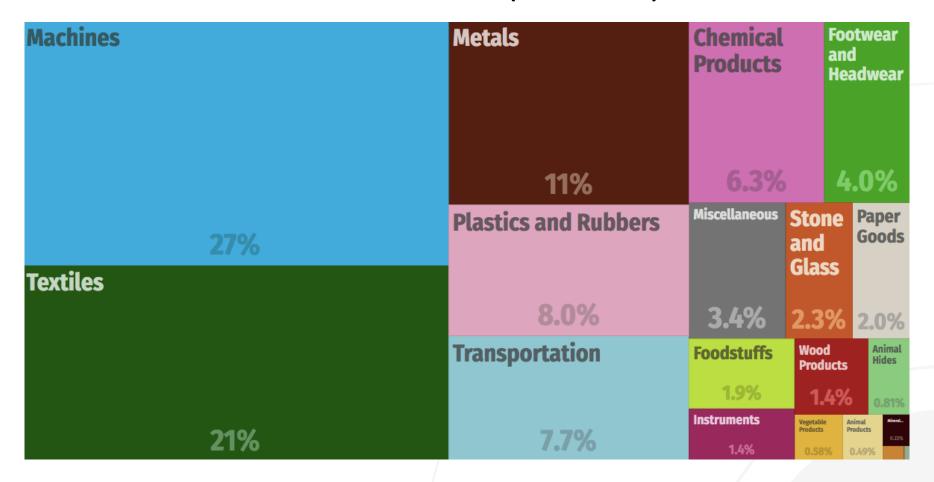


Figure 10. China's export to Nigeria 2017

Source: OEC

https://atlas.media.mit.edu/en/visualize/tree\_map/hs92/export/nga/chn/show/2017/

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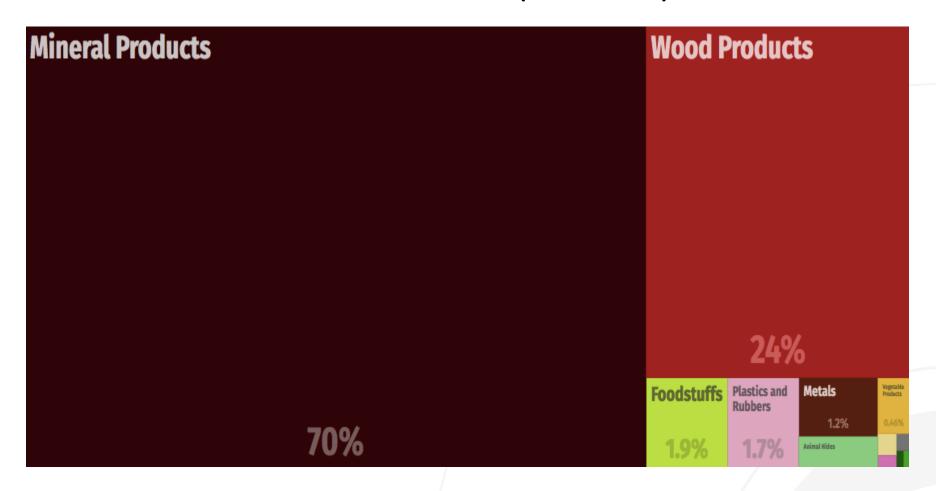


Figure 11. China's import from Nigeria 2017

Source: OEC

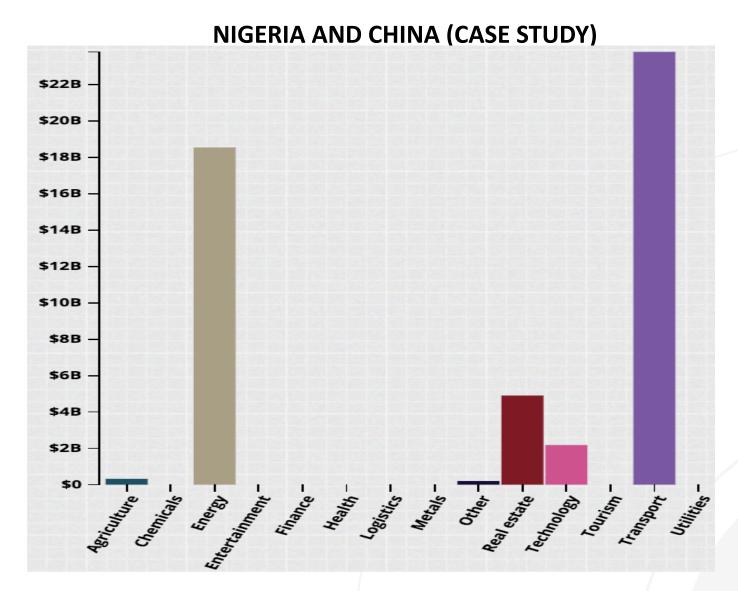


Figure 12. China's investments and construction contracts in Nigeria 2005-2018. Source: AEI <a href="http://www.aei.org/china-global-investment-tracker/">http://www.aei.org/china-global-investment-tracker/</a>

#### **CHINA AND SOUTH AFRICA (CASE STUDY)**

- Recognized in 1998
- Members of UN, BRICS, G20
- Total investments and construction contracts between 2005 and 2018 to be \$14.15 billion. Trade as at 2017, \$39.17 billion

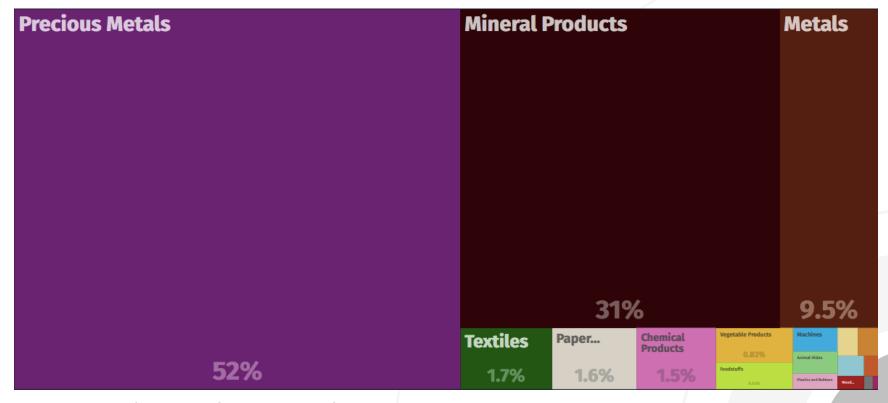
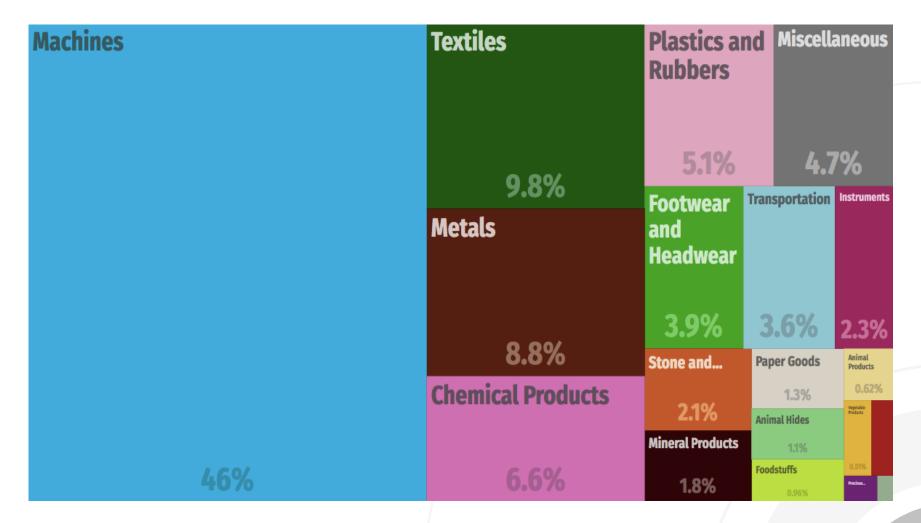


Figure 13. China's import from South Africa 2017



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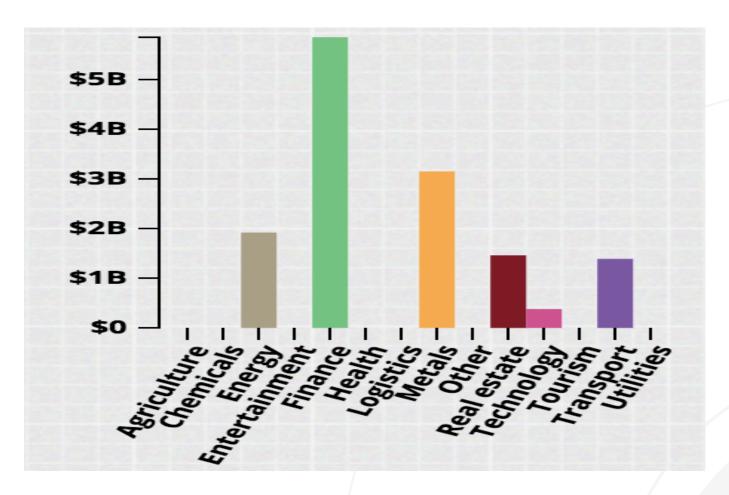


Figure 15. China's investments and construction contracts in South Africa 2005-2018

Source: AEI <a href="http://www.aei.org/china-global-investment-tracker/">http://www.aei.org/china-global-investment-tracker/</a>

#### CHINA AND Kenya(CASE STUDY)

- Recognized in 1963
- total investments and construction contracts between 2005 and 2018 to be \$16.78 billion. Trade as at 2017, \$4.76 billion

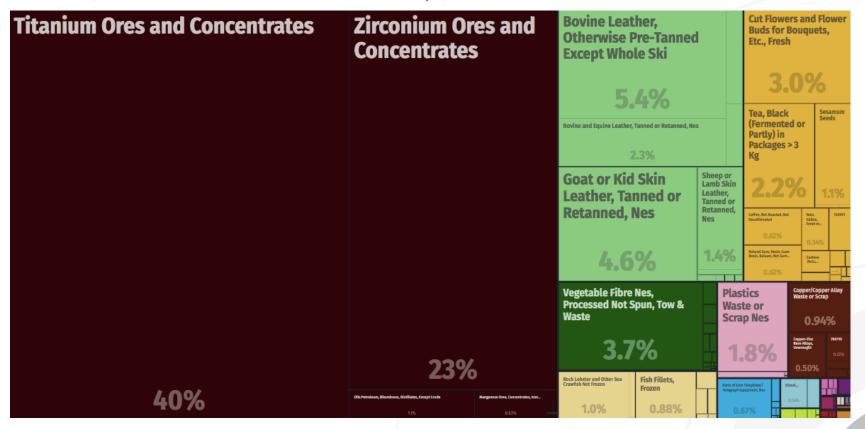


Figure 16. China's import from Kenya 2017

Source: OEC <a href="https://atlas.media.mit.edu/en/visualize/tree">https://atlas.media.mit.edu/en/visualize/tree</a> map/hs92/export/zaf/chn/show/2017/



#### **CHINA AND Kenya(CASE STUDY)**

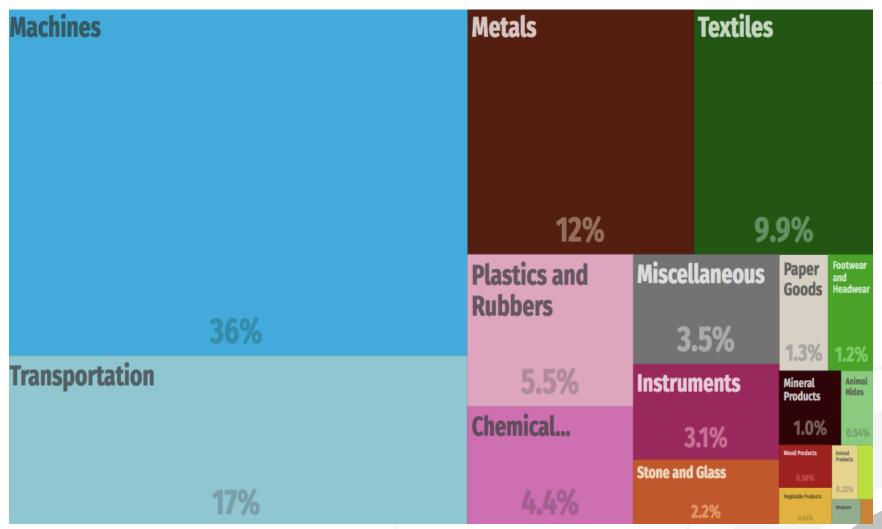


Figure 17. China's Export to Kenya 2017

Source: OEC <a href="https://atlas.media.mit.edu/en/visualize/tree">https://atlas.media.mit.edu/en/visualize/tree</a> map/hs92/export/zaf/chn/show/2017/21



#### **CHINA AND Kenya(CASE STUDY)**

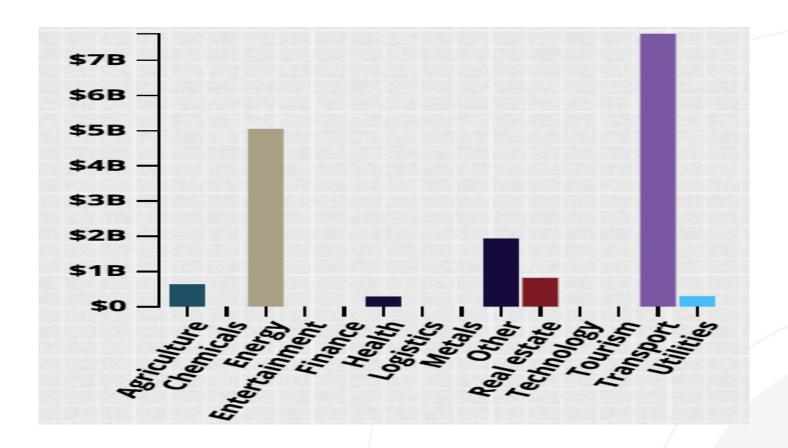


Figure 18. China's investments and construction contracts in Kenya 2005-2018 Source: AEI <a href="http://www.aei.org/china-global-investment-tracker/">http://www.aei.org/china-global-investment-tracker/</a>



Figure 19. A cartoonist representation of supposed China-Africa win-win relations.

Source: MDXIPE <a href="https://mdxipe.wordpress.com/2017/12/15/is-china-the-new-imperial-power-in-africa/">https://mdxipe.wordpress.com/2017/12/15/is-china-the-new-imperial-power-in-africa/</a>

## **EXECUTIVE CONCLUSION**

China's emergence in Africa as a counterbalance to US and Europe has been very positive for Africa by creating competition and giving African countries options. Effective management and utilization of these opportunities which China-Africa relations brings (directly or indirectly), fully rest in the hands of respective African countries. African countries must protect their interest, it is their duty to ensure their relations with China and other great powers is in line with their overall goal and interest.