Scramble for Africa in the 21st Century: China and the Gulf Co-operation Council (GCC)

Dr. John Bruni, Dr. Ming Ting, Ms. Shoo Lin Siah & Mr. Uwe Kaufmann

Chinese investment. But silently sitting in the background, in the modern African context, are the investment inflows from the Gulf Co-operation Council (GCC) states. These inflows are significant and remain so post-Global Financial Crisis (GFC). This is due to the ongoing effects of the Arab Spring and the likely rise of political Islam as the new norm from Cairo to Rabat, (and possibly beyond). Hence it is likely that the shape, nature and intensity of GCC investment in Africa may well produce a more overt strategic dynamic in which the interests of East Asia (in China) clash with the interests of West Asia (in the GCC). Such a pessimistic reading is valid because significant capital inflows to North Africa in the form of trade, FDI, or aid, originate from non-democracies. In this context, the pacific effects of the Democratic Peace thesis (in which democracies do not fight other democracies) or trade (leading to increasing levels of interdependence) might not be applicable to North Africa in the present context.

China

Chinese capital has been flowing into Africa after the introduction of its "Going Out" policy. States such as Sudan with its natural resources have been the major targets of Chinese investment. However, Chinese investment in the various African states is nearly always regarded to be of inherent bad faith. From propping up regimes with questionable human rights records, expediting environmental degradation through the extraction of various natural resources, to now censoring information flows through China Central Television's (CCTV) news broadcasts televised to the region, Chinese capital and presence in Africa seems to garner much global attention.

Yet, just as Chinese aid and investment in Africa is said to crowd out funding from both the United States and the European Union, attention fixated on Chinese activities in Africa is also crowding out mainstream and global attention on Middle Eastern aid to and investment in Africa.

The geographical and cultural proximity between the Middle East and North Africa has given rise to the MENA moniker. Yet, there has been a curious and benign neglect of Middle Eastern activities and presence in North Africa.

GCC

The Gulf Arabs are becoming complex players in North Africa as the 2011 Qatari and Emirati <u>involvement</u> in the downfall of Libya's dictator Colonel Kaddafi demonstrated. The oil-rich Gulf States of the Arabian Peninsula therefore cast a very long shadow over Africa, both economically and politically. While the international discourse on Arab investment is opaque, what is available has correctly established food security as the primary aim of this investment.ⁱⁱ The Arabian Peninsula has a growing population and limited arable land. Consequently, Gulf Arab states have aggressively moved to acquire African land to meet their continuing demand for agricultural goods. This has led to foreign entities gaining control over large tracts of land and /or natural resources in Africa.

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However, unlike the 19th Century 'Scramble for Africa'ⁱⁱⁱ, which saw European powers colonise large, exclusive territories, , the new Scramble for Africa is more subtle, taking place in a framework of post-colonial independent states. For instance the investment flows are more democratic, and extraterritorialty rights are not granted. Hence, it is no longer just about the powerful foreigners exploiting African weakness as it was in the 19th Century. African states are themselves attempting to exploit what they know to be crucial to Beijing and the Gulf Arab capitals. They understand Beijing's quest to fuel China's continuing industrialisation, just as they understand Gulf Arabs' pressing need to secure food and water. African agency therefore now needs to be taken into consideration as they are now in the position to play one power against another in order to maximise political and economic gains.

Africa is roughly divided into two distinct cultural halves — a predominantly Muslim/Arab north and a non-Muslim/non-Arab south. In this context, it is therefore worthwhile to analyse if the Muslim GCC states can exert more sway over political and strategic outcomes in North Africa as Islam is fast emerging as a potent political force. This claim is supported by the success of overtly Muslim political groups such as the Islamic Brotherhood in Egypt. Incidentally, North Africa has thus far been the preferred destination for FDI over other African regions. This makes the region a bellwether that foreshadows the geopolitical effects associated with changing investment flows and trade patterns, and magnifies the dynamics of Chinese and Arabian presence in Africa.

Liberal economists and adherents to the Democratic Peace theory have long talked up trade and investment between democratic states as an international force for good. In their opinion, democratic states that trade with each other are less likely to go to war. However, what they have not seriously considered, and what history has shown time and again, is that states that compete with each other do go to war whether they are Liberal-Democratic or not – especially when there is a threat of resource scarcity or when national prestige is at stake. Contemporary China, the GCC states and most of the 54 countries of Africa are not considered Liberal-Democracies. Collectively they take a very pragmatic approach in their dealings with the West, ever mindful of defending their controlling interests, political and economic. If a precondition to peaceful development is the possession of a Liberal-Democratic framework, then what is the likelihood of Liberal-Democracy coming to Africa as a consequence of investment from and trade with non-democratic states? Furthermore there are two very distinct forms of non-democracy we are addressing, which are not necessarily complementary - Chinese communist one-party rule versus the Gulf Arab monarchies. As Africa is roughly divided between a predominantly Muslim/Arab north and a non-Muslim/non-Arab south - how will this influence political and strategic outcomes?

Strategically Speaking

Access to African resources becomes a security issue when one foreign investment flow is perceived to be, perhaps unfairly through leveraging on exclusive factors such as religious proximity that can act as an indirect trade barrier, displacing others. Some

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of these issues can be addressed by the multitude of overlapping international economic organisations. But realistically speaking, these organisations have limited capacity to effect concrete changes. The ultimate arbiter of international discord is war and war can be sparked by exploiting the fractious nature of weak, decentralised African polities. African factions, overtly or covertly in the pay of foreign interests, will spill African blood for foreign political and economic advantage. The sophistication of this tactic, honed by years of Cold War proxy conflicts is such that 'plausible deniability' is almost always on the side of the foreign party that chooses to destabilise an area – with ultimate responsibility for the origins of a conflict lost in the murky, mutually hostile African tribal/sectarian mix.

The presence of so many competing and non-democratic foreign actors in Africa could quite easily derail the idea of peaceful development and destroy the Africa rising narrative. Intensifying competitive forces such as Chinese and Gulf Arab trade and investment flows might, in time, set off a critical breach between East and West Asia and give the world a new strategic impasse.

Endnotes

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ⁱ Established in 1981, the Gulf Co-operation Council (GCC) is the name of a loose political and economic union comprising the six states of the Arabian Peninsula, dominated by the largest Gulf Sheikhdom, the Kingdom of Saudi Arabia. Members include: Saudi Arabia, the United Arab Emirates (UAE), Qatar, Bahrain, Kuwait and Oman. In 2011, the Kingdoms of Jordan and Morocco were invited to join the GCC, however, moves towards formal accession have not taken place.

ⁱⁱ Woertz E., et.al., *Potential for GCC Agro-investments in Africa and Central Asia*, GRC Report, September 2008, Gulf Research Centre (GRC).

ⁱⁱⁱ The period of history between 1880-1900 when much of the African continent was conquered and subjugated by various European imperial states.

iv Bruni J., recollection of conversations with Ethiopian scholars and government officials, January 2012.

^v Allen C., *Warfare, Endemic Violence and State Collapse in Africa*, Review of African Political Economy, Vol.26, Issue 81, 1999, pp. 367-384.

vi Sawyer S. & Gomez E.T., *Transnational Governmentality and Resource Extraction: Indigenous Peoples, Multinational Corporations, Multilateral Institutions and the State*, Identities, Conflict and Cohesion Programme Paper No. 13, United Nations Research Institute for Social Development, Geneva, Switzerland, September 2008.

vii Mesfin B., The Horn of Africa security complex, (eds.) Sharamo R & Mesfin B., *Regional Security in the post-Cold War Horn of Africa*, Monograph 178, Institute for Security Studies (ISS), Pretoria, South Africa, 2011, pp. 1-30.