E-ISSN 2014-0843
D.L.: B-8438-2012

opinión ASIA

294
JANUARY
2015

CHINA IN AFRICA: New Perspectives on Development

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Times are changing in Africa. After two decades of poor developmental records, since the beginning of this century the prospects for many African countries are improving in terms of growth and development, although the challenges ahead remain huge. Another emerging aspect of the African international political economy is the growing influence in many respects of other developing economies, including India, Brazil, and of course China. New partners have arrived in a new opportunity for the continent even if it is not a free risk one. This growing influence can be seen when checking the evolution of the volumes of trade, investment and aid programmes. China is currently the first trade partner for the majority of African countries. Beyond these figures, in the case of China there is as well an increasingly important presence of Chinese migrants all over the continent involved in all sorts of activities (see "China's Second Continent" by Howard W. French published in 2014). Thus, to the aforementioned growing economic influence, there is as well an increasing human presence.

Focusing on China, it is important to mention that Chinese presence in Africa is not new. In the quest for international recognition and alliances, Mao's China chose to develop particular ties with African governments through aid programmes, especially in the 60s and the 70s. The Tazara railway, linking Zambia and the Tanzanian coast, funded and built with Chinese resources between 1970 and 1975, was the most important highlight of this era.

Later in the 90s, when the opening up process in China was fully consolidated, the focus of the Chinese government in Africa shifted from ideology and diplomacy to the promotion of economic interests, particularly trade and investments from China. The implementation of the Go Out Policy in 1999 encouraged Chinese firms through various public financing schemes to invest abroad, of course including Africa. The increasing consumption of mineral products including oil in the domestic Chinese economy, due to its astonishing economic growth, has led to many Chinese companies in the extractive sector to invest in African resource-abundant countries (in roughly the same way as many other global companies are doing), taking advantage in some cases of previous diplomatic links. Angola, Sudan and Zambia would probably be the most prominent examples of significant Chinese investments in the extractive sector. Interestingly, these investments often go along with aid programmes including soft credit for much needed infrastructure. To be fair, China's aid programmes in Africa are not only about ‘aid-for-resources’. For instance in Senegal there are some significant Chinese aid programmes like a children’s hospital (Diamniado) and some others programmes, although Senegal is a resource-poor country. In sum, the Chinese presence in Africa is not new and is increasingly central in the international political economy of many African countries.

Beyond the direct economic presence, China is certainly exerting a significant influence in the formulation of development policies in Africa. Since the 80s, many African governments have had to adhere to the Washington Consensus agenda pushed on by the Structural Adjustment Programmes (SAP) in order to keep credit flowing in. This agenda of neoliberal reform promoted by the Bretton Woods institutions has proven detrimental in developmental terms. During the 80s and 90s, many of the expected economic outcomes, like economic growth or increased foreign investment, fell short for the majority of African countries having signed a SAP. Moreover, external indebtedness, capital flight and poverty increased. Blaming solely SAPs for these outcomes would be unfair, since institutional dysfunctions in Africa like corruption or the lack of commitment of the African elites with the development process are a substantial part of the story. Anyhow, the Washington Consensus advice has proved limited to boost development in Africa.

In this regard, the so-called Beijing Consensus (as coined by Joshua Cooper Ramo in 2004) has been gaining ground since the beginning of this century as an alternative policy framework for developing countries, especially in Africa. Following Cooper Ramo, the Beijing Consensus proposal consists, among other things, in putting the state at the centre of the development process (developmental state), commitment to innovation and constant experimentation in policies (no one-size-fits-all policy), conceptualising development not only as GDP growth (it is structural change), and keeping national sovereignty (in contrast with the Bretton Woods institutions praxis). African countries are not adopting this emerging policy framework by force or as a condition for Chinese credits. It is a rather an example of the increasing Chinese influence in the continent.

Another interesting example of this influence are the sort of replica of the China’s Special Economic Zones established in Ethiopia, Nigeria, Egypt, Zambia, and Mauritius with Chinese co-operation. As in China, these areas are intended to attract foreign capital and retain local capital too, in order to establish export-led industries provided with upgraded technology, trying to combat the de-industrialisation suffered in the SAPs era, and getting African-based industries into global value chains.

Is the Chinese presence in Africa contributing to a genuine process of economic structural change that could underpin developmental outcomes for the population? Or it is rather a new scheme of dependence? Are the claims of neo-colonialism accurate? In our opinion, the Chinese engagement in Africa may be an opportunity for the African countries, although not free from obstacles. It may be an opportunity if China is taken as a new source of much needed job-creating and infrastructure-supporting capital inflow, a source of new ideas on development probably better suited for the challenges that African societies face, and a powerful friendly partner in the global political arena. Nevertheless, the perils of creating a new debt cycle, getting stuck in a new dependence pattern, fatally damaging the environment, or not taking advantage of the Chinese investments in the extractive sector for promoting structural change are real if the public policies of African governments are not well suited. In other words, China is an opportunity but ultimately depends on the African development policies to take advantage of it.