CHINESE ECONOMIC STATECRAFT IN AFRICA TOPIC PRIMER
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China’s Africa Strategy


The first comprehensive and detailed study of the growing security links between China and the African continent Analyzes how China’s links with Africa’s continental and regional organizations, especially the African Union, connects with security links it has developed with key African countries. Assesses an array of case studies of China’s involvement in country-specific Africa security contexts.


The geopolitical landscape of contemporary China-Africa relations has provoked wide media interest. After being conspicuously overlooked during the G8’s purported ‘Year of Africa’, the topic generated wider debate in the build-up to the China-Africa Summit in Beijing in 2006. Despite this, China’s deepening re-engagement with the African continent has been relatively neglected in academic and development policy circles. In particular, the concrete ways in which different Chinese actors are operating in different parts of Africa, their political dynamics and implications for African development as well as Western views of this phenomenon, have yet be explored in depth.”China Returns to Africa” responds to this need by addressing the key issues in contemporary China-Africa relations. Taking its cue from the widely touted ‘Chinese Scramble for Africa’ and the accompanying claim of a ‘new Chinese imperialism’, the book moves beyond narrow media-driven concerns to offer one of the first far-ranging surveys of China’s return to Africa, examining what this new relationship holds for diplomacy, trade and development.


This chapter investigates the evolution of China’s approach to peace and security on the African continent through the lens of its changing global approach to these concerns. The impact of its expanding international economic footprint, coupled to its growing exposure to political risk across the continent and Western pressure to participate as a ‘responsible stakeholder’, compelled the Chinese government to rethink key tenets of its global strategy, adopting a more pragmatic form of engagement in security matters. The search for a balance between the pursuit of Chinese interests and the fulfilment of its responsibilities is a significant challenge for China in the twenty-first century.


Infrastructure-for-resources loans have rapidly emerged as a key feature in China-Africa relations after the turn of the century. Evidence suggests that these loans have been used by China as a tool to open the gates for Chinese construction and resources companies and also pursue mineral resources security goals in Africa. This kind of loans constitutes at present the most popular and evident Chinese positive economic statecraft instrument in Africa. This paper explores how China has used infrastructure for-resources loans as a positive economic statecraft tool in Africa, and how the lessons learnt over the past decade, the increased wariness of risks it faces, and rising criticism on the continent has led to meaningful
shifts in recent years. The article also examines how successful this instrument has been in achieving the above-mentioned goals.


Asian investment and economic engagement in Africa is a prominent feature of this decade. This newly prominent engagement raises many issues for the emerging and frontier economies of Africa. What are the dimensions of this engagement? Do Asian partners offer anything different from Africa’s traditional partners? China is the most prominent of these Asian partners. This article concentrates first on the dimensions of this engagement: trade and investment flows. It then focuses on Chinese instruments for economic engagement on the continent. Five instruments are selected for discussion: (1) Lines of credit to Chinese multinationals; (2) Export credits; (3) Resource-backed loans; (4) China Africa Development Fund; and (5) China’s overseas special economic zones. A final section considers the impact of the global financial crisis on Chinese engagement, finding that some Chinese companies are using the crisis as an opportunity to deepen their investments, through countercyclical purchases.


Is China a rogue donor, as some media pundits suggest? Or is China helping the developing world pave a pathway out of poverty, as the Chinese claim? In the last few years, China's aid program has leapt out of the shadows. Media reports about huge aid packages, support for pariah regimes, regiments of Chinese labor, and the ruthless exploitation of workers and natural resources in some of the poorest countries in the world sparked fierce debates. These debates, however, took place with very few hard facts. China's tradition of secrecy about its aid fueled rumors and speculation, making it difficult to gauge the risks and opportunities provided by China's growing embrace. This well-timed book, by one of the world's leading experts, provides the first comprehensive account of China's aid and economic cooperation overseas. Deborah Brautigam tackles the myths and realities, explaining what the Chinese are doing, how they do it, how much aid they give, and how it all fits into their "going global" strategy. Drawing on three decades of experience in China and Africa, and hundreds of interviews in Africa, China, Europe and the U.S., Brautigam shines new light on a topic of great interest. China has ended poverty for hundreds of millions of its own citizens. Will Chinese engagement benefit Africa? Using hard data and a series of vivid stories ranging across agriculture, industry, natural resources, and governance, Brautigam's fascinating book provides an answer. It is essential reading for anyone concerned with China's rise, and what it might mean for the challenge of ending poverty in Africa.


Is China building a new empire in rural Africa? Over the past decade, China's meteoric rise on the continent has raised a drumbeat of alarm. China has 9 percent of the world's arable land, 6 percent of its water, and over 20 percent of its people. Africa's savannas and river basins host the planet's largest expanses of underutilized land and water. Few topics are as controversial and emotionally charged as the belief that the Chinese government is aggressively buying up huge tracts of prime African land to grow food to ship back to China. In Will Africa Feed China?, Deborah Brautigam, one of the world's leading experts on China and Africa, probes the myths and realities behind the media headlines. Her careful research challenges the conventional wisdom; as she shows, Chinese farming investments are in fact surprisingly limited, and land acquisitions modest. Defying expectations, China actually exports more food to Africa than it imports. Is this picture likely to change? African governments are pushing hard for
foreign capital, and China is building a portfolio of tools to allow its agribusiness firms to "go global." International concerns about "land grabbing" are well-justified. Yet to feed its own growing population, rural Africa must move from subsistence to commercial agriculture. What role will China play? Moving from the halls of power in Beijing to remote irrigated rice paddies of Africa, Will Africa Feed China? introduces the people and the politics that will shape the future of this engagement: the state-owned Chinese agribusiness firms that pioneered African farming in the 1960s and the entrepreneurial private investors who followed them. Their fascinating stories, and those of the African farmers and officials who are their counterparts, ground Brautigam's deeply informative, deftly balanced reporting. Forcefully argued and empirically rich, Will Africa Feed China? will be a landmark work, shedding new light on China's evolving global quest for food security and Africa's possibilities for structural transformation.


"The purpose of this book is to provide an historical examination of China's activities in Africa, an important yet overlooked aspect of the broader subject of China in Africa today. There is a tendency of observers of China in Africa to always look forward; however, there is a need to look backward. Modern China's historical presence in Africa must be scrutinized in order to understand the context of its current and future actions on the continent. As the book will illustrate, China in the past meddled in the affairs of Africa, in places like Algeria, Ghana, and Tanzania. It did so for self-interest, for the benefit of the Communist Party of China, specifically its leaders' strategic objective, which was to demonstrate influence in the world, that is, power in international politics. Though its material resources were scant in the 1950s, 1960s, and 1970s, China nevertheless used them, in addition to devoting time and attention to Africa. It was a Meddling Dragon. China was not required to devote time, attention, and resources to Africa. But it did, in Algeria, Ghana, and Tanzania, especially. China skillfully used its limited diplomatic, intelligence, and economic means to gain traction on the continent. It sought influence through a combination of means - through shaping perceptions, developing personal relationships, and providing tangible assistance. There was a rhyme and reason to China's early approach to the continent. And that rhyme and reason remains much the same today. Viewed in the broader historical and strategic contexts, China's current presence in Africa demonstrates continuity with the past rather than a renewed focus. This book contributes vitally to the discourse on Sino-African history and adds to the contemporary strategic understanding and debate about China in Africa. The Chinese arrived on the African continent without fanfare, yet maintained an active and influential presence, a presence which ultimately was more pragmatic than revolutionary. Though often couched in ideological rhetoric, China's behavior in Africa in the 1950s, 1960s, and 1970s demonstrated goals and actions of an aspiring great power in the world. Contemporary China receives much more attention in Africa, as it does everywhere else around the world. Nevertheless, it is crucial to understand the nature and character of China's historical actions on the African continent in order to properly grasp its future policies. Rather than merely looking forward, one must look backward to comprehend the true nature of China in Africa"--


It has long been recognised that the actors involved in crafting and implementing China's foreign policy are not always in agreement. This paper argues that the prioritisation of commercial outreach over purely political objectives in Africa has led to a shift in influence from the Ministry of Foreign Affairs (MFA) to the Ministry of Commerce (MOFCOM). To that end, the paper examines the rising prominence of China Exim Bank's concessional loans as a foreign policy instrument in Africa along with the process
through which they are negotiated and implemented. Using the case of Angola, this paper shows how despite formal institutional equality, the MOFCOM is playing a far more influential role than the MFA is in defining the direction of China's foreign policy toward Africa.


Chinese immigrants of the recent past and unfolding twenty-first century are in search of the African dream. So explains indefatigable traveler Howard W. French, prize-winning investigative journalist and former New York Times bureau chief in Africa and China, in the definitive account of this seismic geopolitical development. China’s burgeoning presence in Africa is already shaping, and reshaping, the future of millions of people. From Liberia to Senegal to Mozambique, in creaky trucks and by back roads, French introduces us to the characters who make up China’s dogged emigrant population: entrepreneurs singlehandedly reshaping African infrastructure, and less-lucky migrants barely scraping by but still convinced of Africa’s opportunities. French’s acute observations offer illuminating insight into the most pressing unknowns of modern Sino-African relations: Why China is making these cultural and economic incursions into the continent; what Africa’s role is in this equation; and what the ramifications for both parties and their people—and the watching world—will be in the foreseeable future.


Africa, preeminent recipient of Chinese aid, has benefited greatly from Chinese low-rate loans, infrastructure projects and trade relations. Consequently, these massive investments cause analysts to question whether this Chinese expansionism constitutes a new form of colonialism. The author examines the different economic intervention tools of Beijing, the Chinese capital’s economic engagement in the continent, and the long-term strategy of China in Africa. He also addresses approval ratings of Chinese engagement by both the elites and the general population of Africa.


Globalization of capital and especially foreign direct investment (FDI) and trade has increased dramatically over the past decades. In developing economies; FDI has become the most stable and largest component of capital flows.


Boosting China’s soft power is an important goal of Chinese economic statecraft in Africa. However, African opinions of China – in particular those of ordinary people – are understudied, and existing evidence suggests African viewpoints on China are highly varied and polarized. On the one hand, China’s growing economic linkages are welcomed by Africans as an important alternative to traditional partners, and a vital source of funding for development needs. On the other hand, Africans see China as a source of poor-quality products and an exploitative threat to local markets. How can scholars understand these polarized opinions on China? Using data from the Afrobarometer Round 6 survey (2016), this article aims to untangle African perceptions of Chinese economic engagement through unpacking the distinctive effects of China’s three tools of economic statecraft: trade, foreign direct investment, and aid.
Analyses of Chinese influence frequently package these three modes of engagement together, but in practice they have very different consequences for China’s soft power. Negative perceptions of China among African citizens are primarily associated with trade-related issues. China’s investment and aid, on the other hand, generally make a positive contribution to Chinese soft power in Africa. By highlighting the contrasting effects of different instruments of economic engagement, this analysis contributes insight into Sino-African relations and China’s wider economic diplomacy.


"Presents case studies of China's twenty-first century efforts to leverage hard and soft power in its foreign policy. Explores China's economic and military policy in the Asia-Pacific region, as well as core principles that guide China's influence in Latin America and Africa"--


This ippr collection of essays addresses different aspects of China's relations with Africa, including the history and politics of the relationship, as well as China's impact on trade and investment, the management of natural resources, human rights and good governance, and peace and security.


China's trade with, foreign direct investment in, and development assistance to African countries have increased substantially over the last decade. This paper reviews the scope and context of China's economic statecraft in Africa to assess its intent and impact. China's engagement with Africa is a deliberate policy choice to secure its economic and political objectives. However, it also is consistent with the actions of rational actors in a free market. China's policies may undermine or discourage US efforts to create better governance and improved standards of living in Africa, but these effects are incidental and not a deliberate Chinese goal. The United States should focus on its vital interests in Africa and adopt an accommodating posture towards China, facilitating its peaceful rise. As part of its overall strategic rebalancing, the United States should intensify efforts to increase China's participation in international economic institutions to maintain a global international economic system that facilitates U.S. economic strength.


China's investment in Africa is a deliberate policy choice to secure Beijing's economic and political objectives. Chinese policies may undermine or discourage US efforts to create better governance and improved standards of living in Africa, but these effects are incidental and do not threaten vital American interests. The United States should encourage Beijing's participation in international economic institutions, and thereby facilitate US economic strength and promote African development.

Foreign Aid and Development Finance


This paper discusses China's use of infrastructure-for-resources loans in Africa as a win–win economic cooperation tool. This formula, offering generous loans for infrastructure in exchange for resource access, came into being largely as a default cooperation tool, inspired by China's own domestic experience, its competitive advantages and Africa's receptivity to this kind of barter deal. Embodying the principle of mutual benefit, China has consistently combined the extension of financial assistance for infrastructure construction in Africa with the expansion of Chinese business interests and the pursuit of resource security goals. The analysis focuses on whether this instrument is actually promoting African development or fuelling instead China's economic growth at the expense of African economies. The author argues that the impact has been mixed. Although there are some meaningful positive signs, many challenges persist, and as such the long-term developmental impact of this particular tool remains uncertain. The responsibility to ensure a positive outcome rests, however, on the African side as much as on China.


As a result of China's increasing presence in Africa, Chinese urban development projects are increasing in number in the continent's cities. In Nairobi, Chinese development aid and state companies are helping to build road infrastructure. Chinese property developers, who are for the most part private, are building and selling housing for the middle classes. Urban projects being carried out by public and private Chinese players are helping the development of the Kenyan capital and the exportation of Chinese urban planning and design practices to Africa. They represent a vector of the power of attraction of China. This article sets out the results of a field study.


Chinese “aid” is a lightning rod for criticism. Policymakers, journalists, and public intellectuals claim that Beijing is using its largesse to cement alliances with political leaders, secure access to natural resources, and create exclusive commercial opportunities for Chinese firms—all at the expense of citizens living in developing countries. We argue that much of the controversy about Chinese “aid” results from a failure to distinguish between China’s Official Development Assistance (ODA) and more commercially oriented sources and types of state financing. Using a new database on China’s official financing commitments to Africa from 2000-2013, we find the allocation of Chinese ODA to be driven primarily by foreign policy considerations, while economic interests better explain the distribution of less concessional
Our results suggest Beijing’s motive may not be substantially different from those shaping the allocation of Western official finance. Our data and findings also address the need for better measures of an increasingly diverse set of non-Western financial activities that are neither well understood nor systematically tracked by the Western-led regime for international development finance.


This article investigates whether China’s foreign aid is particularly prone to capture by political leaders of aid-receiving countries. We examine whether more Chinese aid is allocated to the birth regions of political leaders and regions populated by the ethnic groups to which leaders belong, controlling for indicators of need and various fixed effects. We have collected data on 117 African leaders’ birthplaces and ethnic groups and have geocoded 1,650 Chinese development finance projects across 3,097 physical locations that were committed to Africa over the 2000–2012 period. Our econometric results show that when leaders hold power their birth regions receive substantially more funding from China than other subnational regions. We also find — less robust — evidence that African leaders direct more Chinese aid to areas populated by individuals who share their ethnicity. However, when we replicate the analysis for the World Bank, our regressions show no evidence of favoritism. We also evaluate the impact of Chinese aid on regional development, exploiting time variation in the amount of Chinese aid that results from China’s production of steel and geographical variation in the probability that a subnational region will receive such aid. We find that Chinese aid improves local development outcomes, as measured by per-capita nighttime light emissions at the first and second subnational administrative level. We therefore conclude that China’s foreign aid program has both distributional and developmental consequences for Africa.


We investigate whether foreign aid from China is prone to political capture in aid-receiving countries. Specifically, we examine whether more Chinese aid is allocated to the birth regions of political leaders, controlling for indicators of need and various fixed effects. We collect data on 117 African leaders' birthplaces and geocode 1650 Chinese development projects across 2969 physical locations in Africa from 2000 to 2012. Our econometric results show that political leaders' birth regions receive substantially larger financial flows from China in the years when they hold power compared to what the same region receives at other times. We find evidence that these biases are a consequence of electoral competition: Chinese aid disproportionately benefits politically privileged regions in country-years when incumbents face upcoming elections and when electoral competitiveness is high. We observe no such pattern of favoritism in the spatial distribution of World Bank development projects.


A new methodology, Tracking Underreported Financial Flows (TUFF), leverages open-source information on development finance by non-transparent, non-Western donors. If such open-source methods prove to be valid and reliable, they can enhance our understanding of the causes and
consequences of development finance from non-transparent donors including, but not limited to, China. But open-source methods face charges of inaccuracy. In this study we create and field-test a replicable ‘ground-truthing’ methodology to verify, update, and improve open-source data with in-person interviews and site visits in Uganda and South Africa. Ground-truthing generally reveals close agreement between open-source data and answers to protocol questions from informants with official roles in the Chinese-funded projects. Our findings suggest that open-source data collection, while limited in knowable ways, can provide a stronger empirical foundation for research on development finance.


Studies on China-Africa relations often criticize Chinese firms for violating human rights and neglecting their responsibility to protect the environment. Some authors have even accused "the Chinese" of neocolonialism. More recent studies emphasize the responsibility of the host governments to protect the environment and the rights of local workers. What, however, can African host country governments actually do to realize the potentials of Chinese foreign direct investment (FDI) while managing the environmental and social impacts? The main argument of this Article is that thorough knowledge regarding the motives of foreign investors gives host countries better insight into their capacity to strengthen their FDI regulation. Current FDI theory does not sufficiently explain the motives behind Chinese outward direct investment (ODI) and focuses too much on the factors associated with the host country (pull factors) and the foreign firm. More recent attempts to explain the motives behind Chinese and other emerging market ODI focus merely on the factors associated with the home country (push factors). This Article introduces a framework from the field of migration studies in an attempt to integrate push, pull, intervening, and firm-specific factors into one comprehensive framework. The case of the investments of a specific Chinese construction company in the Democratic Republic of the Congo (DRC) is used to develop further the idea of a comprehensive framework that includes push, pull, intervening, and firm-specific factors.
Oil and Resource Extraction


This paper discusses China's use of infrastructure-for-resources loans in Africa as a win–win economic cooperation tool. This formula, offering generous loans for infrastructure in exchange for resource access, came into being largely as a default cooperation tool, inspired by China's own domestic experience, its competitive advantages and Africa's receptivity to this kind of barter deal. Embodying the principle of mutual benefit, China has consistently combined the extension of financial assistance for infrastructure construction in Africa with the expansion of Chinese business interests and the pursuit of resource security goals. The analysis focuses on whether this instrument is promoting African development or fuelling instead China's economic growth at the expense of African economies. The author argues that the impact has been mixed. Although there are some meaningful positive signs, many challenges persist, and as such the long-term developmental impact of this tool remains uncertain. The responsibility to ensure a positive outcome rests, however, on the African side as much as on China.


China’s impressive inroads into Africa’s resources sectors over the past decade are largely due to the timely match between cash-loaded China in search for raw materials and a continent with a vast pool of underdeveloped mineral deposits, whose exploration has been hindered for decades by under investment and infrastructure bottlenecks. Chinese ‘infrastructure-for-resources’ loans are ultimately a product of the convergence of Chinese and African interests at the dawn of the 21st century. This loan formula, swapping infrastructure for resources, came into being largely as a default strategy, inspired by China’s own domestic experience, its competitive advantages and the African receptiveness to these kinds of barter deals. The paper explores how China has consistently used this approach over the past decade as a positive economic statecraft tool to pursue mineral resources security goals in Africa; and how the need to adjust its approach to challenges and new opportunities on the ground has led to noticeable shifts in recent years. It argues that, although infrastructure for resources remains an important tool to meet Beijing’s supply concerns, China’s strategies to access resource assets have become more diversified and market oriented, with its state-owned enterprises taking the lead and increasingly engaging in mergers and acquisitions.


China’s transition to an urban-industrial society relies predominantly on its abundant domestic coal supplies and, secondly, on an increase in oil and gas imports. For this reason, China’s strategic investments in the oil and gas industries of resource-rich, energy-exporting countries have vastly increased. Given the high levels of import-dependency, the domestic power-wealth structures in China rely on uninterrupted supplies from beyond state borders. In their search for supply security, major import-dependent actors have two options. One is to reduce dependency by, for instance, higher energy
efficiency. Another option is to increase the security of energy imports. This requires improving supply security from resource-rich oil- and gas-exporting countries and regions. The significant growth in the overseas assets and activities of China’s state-led National Oil Companies are crucial to China’s energy supply security. In this paper we outline the approach and the conceptual foundations to understand geopolitical economy of energy security in China based on the following section: [1] the unit of analysis in the Political Economy of Energy. [2] Sequential industrialization and its global impacts, [3] Fossil fuel security and resource-scarcity, [4] China’s power structure, state class, and industrialization, [5] Industrialization, lateral pressure, the geopolitical economy and China’s external relations [6] National oil companies: changing the game.


As a result of China's increasing presence in Africa, Chinese urban development projects are increasing in number in the continent's cities. In Nairobi, Chinese development aid and state companies are helping to build road infrastructure. Chinese property developers, who are for the most part private, are building and selling housing for the middle classes. Urban projects being carried out by public and private Chinese players are helping the development of the Kenyan capital and the exportation of Chinese urban planning and design practices to Africa. They represent a vector of the power of attraction of China. This article sets out the results of a field study.


For the first time since the era of the slave trade, African trade is arguably re-orienting from the “Global North” to the “Global East.” Chinese investment and trade with Africa is rising quickly. At the same time, the U.S. has increased its strategic engagement with Africa very significantly since the terrorist attacks of 2001. As a consequence of this, the continent has moved centre stage in global oil and security politics. This paper investigates the nature of Chinese and American investment and trade in Africa; the ways in which these governments view the continent, and explores the economic and political impacts of enhanced geo-economic competition between the West and the East there. It finds that current trends are reworking the colonial trade structure, strengthening authoritarian states, and fuelling conflict. However, there are also progressive dimensions to the current conjuncture which could be built on with more robust international coordination and action.


China’s ascent influences the Western aid dynamic significantly and changes the landscape in aid-donor and aid-recipient relationship for resource-endowed countries in Africa. Similarly, within China-Africa relations, Nigeria established diplomatic relations with China in 2006 for a concessional oil-for-infrastructure plan to fill the development aperture. However, Nigeria opted out as political uncertainty and elite interest in rent-seeking supersedes development and well-being motive. We conclude that two interrelated causal factors – accountability and transparency – overwhelmingly
obstruct Nigeria from optimizing China interest in infrastructure development. The study recommends the review of National Planning Commission (NPC) 2007 ODA policy document on technical assistance, grants, and concessional loans to identify new problems and challenges associated with formulation and implementation of donor-assisted programs.


The decarbonization of the global economy – which is necessitated by the climate crisis – and the new wave of technological evolution featuring artificial intelligence (AI) and 5G networks, fuel the race to secure uninterrupted access to critical minerals. Traditional industrial actors (the US, the EU and Japan) are pitted against China and its global Belt and Road Initiative, that sets out to unite Eurasia and Africa and loop in South America into a seamless space of high connectivity (land, maritime, air, cyberspace) and trade. Understanding how the high geographic concentration of rare earths, lithium and cobalt often creates hotspots of contention especially in unstable parts of the world, offers instructive indications of how the race to decarbonize and digitalize the global economy will contribute to shaping geopolitics in the years to come.


The Chinese party-state and Chinese companies have become increasingly active in Sub-Saharan Africa, especially in the natural resource sector. Accessing natural resources is assumed to be one of the main goals of both the Chinese government and relevant Chinese companies in resource-rich African countries. In the article, the interplay between Chinese party-state and state-owned enterprises in Zimbabwe is analyzed from the viewpoint of China’s geoeconomic strategy. While existing literature has focused on various facets of China’s Africa policy, details of collaboration between Chinese party-state and corporate actors remain largely unexamined. In the natural resource sector, such collaboration ranges from negotiating access to natural resources to arranging large Chinese-financed projects repaid or collateralized in natural resources. The article analyzes in detail the cases of three companies that have been involved in such arrangements in Zimbabwe’s natural resource sector between 2000 and 2013: NORINCO, AFECC, and CMEC. The central argument advanced in the article is that China’s Ministry of Commerce, Eximbank and CDB have pressured the Zimbabwean government to offer resources as collateral for further Chinese loans, in particular in the mid-2000’s. The article concludes that while a geoeconomic strategy seems to be in place, its implementation is hindered by the great variety of actors involved.

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After decades of Cold War, when Africa was simply viewed as a convenient pawn on the global chessboard, and a further decade of benign neglect in the 1990s, the African continent has now become a vital arena of strategic and geopolitical competition for not only the United States, but also for China, India, and other new emerging powers. The main reason for this is quite simple: Africa is the final frontier as far as the world’s supplies of energy are concerned with global competition for both oil and
natural gas (particularly the latter) becoming just as intense – if not even more so – than the former. The factors behind the growing attention to African energy supplies are well known; so we will only summarise them here. World oil production is only just meeting world demand and old fields are being drained faster than new production can be brought on line. Supplies will be tight for the foreseeable future, so any new source of supply is significant. Most importers are also trying to reduce their dependence on Middle Eastern oil. In the next 10-15 years, most of the new oil entering the world market is going to be coming from African fields because it is only in Africa – and to a lesser extent in the volatile Central Asia region – that substantial new fields have been found and brought into production.


China is now the world’s second largest oil consuming nation. China’s external quest for oil has thus generated much attention and is believed by many to destabilize the world order. This article attempts to provide an overview of China’s external initiatives for satisfying domestic oil demands and to examine the implications of China’s oil diplomacy on regional and global political stability. The article suggests that China has taken three steps to satisfy its growing domestic demand for oil—expanding overseas oil supplies from the Middle East, diversifying its importing sources by reaching out to Africa, Russia, Central Asia and the Americas, and securing oil transport routes. This article argues that China’s oil diplomacy strengthens its ties with oil-producing nations and complicates those with oil-importing nations. Nevertheless, contrary to pessimistic predictions, China’s oil diplomacy has neither upset the USA’s fundamental policies towards Iraq and Iran, nor has it generated armed clashes in the South China Sea. China has largely accommodated the USA in these areas and has forged joint efforts in energy exploration with its Asian neighbors, except for Japan. China’s benign oil diplomacy can be explained by the minor role of oil imports in its energy consumption and, more importantly, by China’s peaceful-rise strategy.


In the past two decades, China’s national oil companies have become new players in the international oil industry. When they first entered the global scene in the 1990s, Chinese NOCs held few competitive advantages over international oil companies. They lacked the organizational capabilities and expertise to manage large projects overseas and had little experience with political and security risk. This article argues that political, social and security dynamics in the host countries of Chinese NOCs can play a transformative role in shaping their competitiveness and global strategy. It demonstrates how experiences in Sudan and South Sudan were instrumental in leveraging the competitiveness of the China National Petroleum Corporation, China’s largest oil company, particularly through developing its risk management capabilities, and steering its global strategy towards a more diverse and balanced investment portfolio.

The book seeks to understand China’s evolving political and economic role in Africa and assesses what impacts Chinese aid, trade and investment have on the politics of specific African countries, and the extent to which it excites geopolitical competition.


Within the next five years, Chinese trade with Africa is predicted to reach $100 billion per year. Much of this spring from China’s growing expansion into Africa's oil markets. It is argued that Chinese oil diplomacy in Africa has two main goals: in the short-term to secure oil supplies to help feed growing domestic demand back in China; and in the long-term, to position China as a global player in the international oil market. Yet at the same time, this oil safari is being accompanied by an explicit stance that emphasizes state sovereignty and ‘non-interference’ in domestic affairs and is wholly disinterested in transparency or human rights. Consequently, Beijing has increasingly been accused of turning a blind eye to autocracy and corruption. China is also threatening to undercut efforts by the African Union and its western partners to make government and business more accountable. While China is providing investment where little was previously forthcoming, concerns about Beijing's engagement with Africa's oil industries need to be resolved, not least by African leaders themselves.
Sectoral Analysis


What role does China play in the recent rush for land acquisition in Africa? Conventional wisdom suggests a large role for the Chinese government and its firms. Our research suggests the opposite. Land acquisitions by Chinese companies have so far been quite limited and focused on production for African consumption. We trace the evolution of strategy and incentives for Chinese agricultural engagement in Africa and examine more closely several of the more well-known cases, sorting out the myths and the realities.


Africa is a Continent endowed with enormous natural resources that has attracted the attention of the west in particular; and has been described as a base for development of western Countries. In the twenty first century, the world’s second largest economy


Within the large body of China-Africa literature, there is a growing body of literature that differentiates between China’s various economic actors, more specifically between its state-owned and private enterprises. This paper intends to contribute to this literature by comparing Chinese state-owned enterprises and hybrid (mixed owned) enterprises with private enterprises in Kampala, the capital of Uganda. An air of mystery often surrounds Chinese companies in Africa, this paper will provide some clarity concerning companies in Kampala. To do this we first look at the governmental assistance given to these companies, then the kind of assistance they potentially receive. Next we investigate what motivated these companies to come to Uganda, and how they established themselves, whether it is after a Chinese aid project or construction job, or some other route. We further investigate the size, employment policy and markets of these Chinese state-owned enterprises in Kampala. Finally we look at the employment of Ugandan labour and management, the problems faced by the enterprises and the environmental challenges, as well as how these are dealt with. We conclude that Chinese SOEs and mixed ownership companies in Uganda are involved in a small range of sectors, often capital-intensive sectors such as oil and construction, and are therefore also larger than the majority of the Chinese private enterprises. SOEs and mixed ownership enterprises tend to have arrived in Uganda earlier than
most private enterprises, face slightly different problems, and are more interested in the Ugandan market as whole than their privately owned counterparts. More importantly, they have greater proportions of local employees and are more interested in indigenizing their workforces.
Special Economic Zones (SEZs) and Infrastructure


[China’s rapidly growing economic engagement with other developing countries has aroused intense debates, but these debates have often generated more heat than light. The Chinese government is clearly pushing its companies to move offshore in greater numbers, and state-owned firms figure prominently in many of the major investments abroad. Yet relatively little research exists on when, how and why the Chinese government intervenes in the overseas economic activities of its firms. China’s state-sponsored economic diplomacy in other developing countries could play three major strategic roles: strengthening resource security, enhancing political relationships and soft power, and boosting commercial opportunities for national firms. This article examines China’s programme to establish overseas special economic zones as one tool of Beijing’s economic statecraft. It traces the process by which they were established and implemented and investigates the characteristics of the 19 zones initially selected in a competitive tender process. The article concludes that even in countries rich in natural resources, the overseas zones were overwhelmingly positioned as commercial projects. Particularly in the Asian zones, China is following in the footsteps of Japan. The zone programme, and the Chinese foreign investment it hoped to foster, represents a clear case of the international projection of China’s developmental state. However, in Africa (but not generally elsewhere) discourse surrounding the zones publicly positions them as a transfer of China’s own development success, thus potentially enhancing China’s political relationships and soft power on the continent.]


This article examines recent Chinese efforts to construct a series of official economic cooperation zones in Africa. These zones are a central platform in China’s announced strategy of engagement in Africa as ‘mutual benefit’. We analyse the background, motives and implementation of the zones, and argue that they form a unique, experimental model of development cooperation in Africa: market-based decisions and investment by Chinese companies are combined with support and subsidies from an Asian ‘developmental state’. Though this cooperation provides a promising new approach to sustainable industrialisation, we also identify serious political, economic and social challenges. Inadequate local learning and local participation could affect the ability of the zones to catalyse African industrialisation. The synergy between Chinese enterprises, the Chinese government and African governments has been evolving through practice. A case study of Egypt provides insight into this learning process.


China’s special economic zones helped the country industrialize by attracting foreign investment. In 2006, Beijing initiated an overseas trade and cooperation zone program, assisting Chinese companies to invest abroad while also building China’s soft power through the transfer of a key component of China’s development success. Little is known about the 19 zones approved so far under
this program, or the impact they are likely to have on structural transformation and industrial development in their host countries. This paper identifies the 19 zones and their proposed locations, the process of selection, developers, implementation, and the Chinese incentive regime. It then focuses on the African zones. Using a typology of factors that have proven critical for zone development in the past, the paper evaluates the potential of these zones for fostering structural transformation in Africa.