

**THE EFFECTS OF THE RISE OF CHINA ON THE POLITICAL ECONOMY OF  
AFRICA: THE CASE OF SOUTH AFRICA**

**BY**

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## DECLARATION

I, Kodwo Amissah Benyi, hereby declare that this dissertation is my own work in design and execution and all reference material contained have been duly acknowledged.

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Signature

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Date

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# DEDICATION

To God

## ACRONYMS

ANC-African National Congress

ASEAN-Association of South East Asian Nations

AU- African Union

BRICS-Brazil Russia India China South Africa

CCP-Chinese Communist Party

CCTV-China Central Television

CPSU-Communist Party of the Soviet Union

CRA- Contingent Reserve Arrangement

DAC-Development Assistance Committee

DIRCO-Department of International Relations and Corporation

DoD-Department of Defense

DTI-Department of Trade and Industry

EEZ-Exclusive Economic Zone

EIB-European Investment Bank

EU-European Union

FDI- Foreign Direct Investment

FOCAC-Forum for China Africa Cooperation

FRELIMO-Liberation Front of Mozambique

FTA-Free Trade Area

GDP-Gross Domestic Product

IFIs-International Financial Institutions

IMF-International Monetary Fund

MNC-Multi National Corporation

NDB-New Development Bank

NEPAD-New Partnership for Africa's Development

NGO-Non Governmental Organization

OBOR-One Belt One Road

ODA-Official Development Assistance

PAC-Pan African Congress of Azania

PBSC-Politburo Standing Committee

PRC-People's Republic of China

SAP-Structural Adjustment Programme

SEZ-Special Economic Zone

SOE-State Owned Enterprise

UNCTAD-United Nations Conference on Trade and Development

UNSC-United Nations Security Council

UN-United Nations

USSR-Union of Soviet Socialist Republics

USA- United States

ZANLA-Zimbabwe African National Liberation Army

ZANU-PF-Zimbabwe African National Union-Patriotic Front

ZAPU-Zimbabwe African People's Union

## ABSTRACT

The 21<sup>st</sup> century has witnessed intensified ties between China and South Africa both bilaterally and multilaterally under BRICS. South Africa-China relations have been amplified by the quest to strengthen South-South cooperation as opposed to depending on the West for everything. In this research the focus is on examining the political and economic relations between South Africa and China. The sustainability of the China-South Africa engagement in the areas of economy and politics will be examined. Since South Africa is the weaker partner economically in her relationship with China, will the relationship leave South Africa disadvantaged or will the South African economy benefit from the bilateral relations? On the political level, China's policy on Tibet and the One-China policy may have a bearing on South Africa's image in the world. The research is designed to explore the political and economic dimensions of the relationship. The study derives insights from the interdependence theory which argues that we live in a world of interdependence which has altered the concept of power which is at the heart of the realist theory. Interdependence is also defined as mutual dependence among nations and reciprocal effects among states. The study utilizes a qualitative approach where desk research involving primary and secondary sources are used. Fundamentally the study argues that the relationship is mutually beneficial albeit unequal. China is a major power with the second largest economy in the world and South Africa is a regional power with a stagnating economy. China needs South Africa in her Africa strategy due to the fact that South Africa boasts the largest and most advanced economy on the African continent and this makes the country a convenient doorway into Africa. South Africa on the other hand needs Chinese Foreign Direct Investment and trade to speed up growth and grow the black middle class which was disadvantaged during the apartheid years. In 2015 the two countries signed 26 agreements worth 94 billion rand when the Chinese President Xi Jinping paid an official visit to South Africa which will be mutually beneficial to both parties.

**Key words: Political Economy, Economic Engagement, Foreign Direct Investment, Political Engagement, Foreign Policy, Diplomacy**

# CHAPTER ONE

## 1.1 Introduction

The Post-Cold War international order has witnessed the rise of China in a unipolar world order after the demise of the Soviet Union. During the Cold War bipolar international order, nations on the African continent became proxy states of either the United States of America (USA) or the Union of Soviet Socialist Republics (USSR) when both super powers encroached on African states for influence or access to Africa's abundant resources. The international order is rapidly adopting a bipolar feature again with the rise of China which has seen her encroach on Africa in a quest for political influence and access to the continent's resources; this is changing the political economy of these nations. This chapter presents the background of the study, statement of the problem, aim of the study, objectives of the study, research questions, the significance of the study, preliminary literature review, the research methodology and chapter breakdown.

## 1.2 Background of the study

The end of the Cold War witnessed an encroachment by China on Africa with a lot of nations on the continent opting for closer ties with Beijing for a number of reasons. This foreign policy development by African states has been described, in geopolitical language, by international relations pundits as a "look-east policy". Some of the reasons for the look-east policy are the rise of China as a competitor to the US an action which is challenging the 'Washington Consensus' and giving developing nations an alternative to Western aid and the notion by African leaders that since China is a developing country this puts her in a better position to understand the developmental challenges faced by other developing countries. African nation's see the look-east policy as a South-South solidarity; as answering the need for foreign direct investment (FDI) to meet the developmental challenges and infrastructural needs of African nations. Beijing's position of non-interference in the domestic affairs of other nations, and the inspiration China gives to African leaders when they see how China, a once poor and backward country has risen to become the world's second economy (China's developmental model and soft power), all of these encourage the closer ties with China.

The end of the Cold War changed the international order from a bipolar one into a unipolar one with the US becoming its sole superpower. With no challenge to American hegemony, countries on the African continent lost their strategic value and were no longer needed as proxies. From the standpoint of proxy conflicts, this was a good development as this saw the cessation of a lot of proxy conflicts on the continent, however from the standpoint of playing the superpowers off against each other, in their attempt to court African states with aid in exchange for political clout and access to their resources, post Cold War was a bad period for nations on the continent.

This era lasted for about a decade 1991-2000 and thereafter Africa began to be strategically valuable to China, an emerging superpower. Amadausn & Oghoator (2011:85) note that Africa has become strategically important to China from an economic standpoint. China's resurgence coincided with the end of the Cold War as she has naturally filled the vacuum created after the fall of the Soviet Union. Waltz (cited by Khoo, 2010:3) states that there was a historic rivalry between Moscow and Beijing for influence during the Cold War. A weakened Moscow gave Beijing leeway to pursue her global ambitions and it is plausible to conclude that during the Cold War, China was the only developing country to act like a superpower, trying to sell her form of communism around the world and give aid to African states.

Historically China's engagement with Africa was mainly political. This saw her exporting her brand of communism and lending moral and material support to liberation movements with minimal economic support except for a handful of projects like the Tazara railway construction linking Tanzania and Zambia (Ministry of foreign affairs of the People's Republic of China). In modern times the feature China's political relations with the continent has changed in the sense that it is not about exporting communism and supporting liberation movements. Now her political relationship with African states is a quest for political clout which will advance her national interest, like the 'One-China' policy. In exchange for this desired political clout she gives aid, loans and FDI, which also serve her economic interest of gaining access to Africa's rich resources.

China's rise has altered the political economy of some countries of Africa. These countries are subtly becoming proxies of China as she gives aid, loans, FDI and finances infrastructural projects for political clout. Visits by Chinese statesmen to countries on the continent and the

Forum for China Africa Cooperation (FOCAC) summits are drawing Africa and China closer together and the West is beginning to take notice of this development. After the Cold War, Western countries, particularly the US, took Africa for granted because she had lost her strategic value. The China ‘threat’ as the West has come to view a resurgent China has made them realise that Africa is of strategic value again and cannot forever be ignored. In the wake of FOCAC, Europe and the USA responded with summits of their own where they sought to reaffirm their political and economic ties with Africa. Sanders (2015:3) informs that in 2014 President Obama of the USA hosted African statesmen for the three day USA-Africa leader’s summit and La Franchi (2014:1) writes that in 2014 the fourth Africa-EU partnership summit brought together over 60 EU and African leaders.

In addition to Africa becoming strategically important again in the wider international order, African countries are benefitting from their ties with China on both a multilateral and bilateral level. On a multilateral level, China keeps pledging aid and loans at successive FOCAC meetings and honouring those pledges. On the bilateral level, successive Chinese leaders have been paying state visits to African countries to foster closer diplomatic and commercial ties and African leaders have been reciprocating.

South Africa and China enjoy good relations both multilaterally and bilaterally. The Brazil, Russia, India, China and South Africa (BRICS) grouping is one multilateral platform which fosters Sino-South Africa cooperation, FOCAC is the other platform. Bilaterally, both countries re-established diplomatic ties on January 1 1998 and since then the relationship has grown from strength to strength and been mutually beneficial for both parties (Yanshuo, 2008:3).

South Africa desperately needs Chinese FDI to create jobs for its citizenry and the Chinese market is a huge one for South African products albeit the bulk of her exports to China are natural resources in their unprocessed form. From the South African standpoint the relationship has also had its challenges like the South African market being flooded with cheap Chinese goods which the local goods cannot compete with. Politically, the relationship has sometimes tarnished South Africa’s image as a global advocate for human rights issues as she has been accused of prioritizing her national interest above human rights concerns in line with China’s

behaviour. The continued refusal by Pretoria to grant the Tibetan spiritual leader a visa so as not to provoke the ire of China is a case in point.

### **1.3 Statement of the problem**

After the Cold War China rose unto the international scene as a political and economic power. Africa is increasingly becoming important to her which is motivating China to make forays into Africa. In the context of sub-Saharan Africa, South Africa has become one of the greatest partners of China, in terms of political and economic relations. This partnership is further enhanced by South Africa becoming a member of BRICS. Against all this background, the question that can be asked is how sustainable is Sino-South Africa relations in the context of economic and political engagements?

In the context of the above research question this study tries to examine the implications of the Sino-South Africa engagement from a bilateral dimension. While appreciating that the two countries in question are members of BRICS, the study questions how their engagement on the bilateral level impacts on the politics and economy of South Africa. This has given rise to a number of subsidiary questions:

1. What is the nature of China's engagement with Africa?
2. What are the areas of political engagement between China and South Africa?
3. How sustainable are the bilateral engagements?
4. Are there other possible recommendations?

### **1.4 Aim of the study**

To examine the sustainability of the China-South Africa engagement in the areas of the economy and politics. South Africa is the weaker partner economically in her relationship with China, thus will the relationship leave South Africa disadvantaged economically or will her economy become stronger because of these bilateral ties? On the political level, China's policy on Tibet and her One-China policy may have a bearing on Sino-South Africa political ties in

future. This study is designed to explore the political and economic dimensions of the relationship.

### **1.5 Significance of the study**

The study contributes to the body of knowledge on the rise of China, especially its engagement with Africa in matters of politics and economy.

### **1.6 Research assumption**

On paper it seems the relationship is mutually beneficial yet it is skewed in favour of China and it explains why South Africa has not realised the full potential of this partnership since the relationship has not meaningfully translated into significant development.

### **1.7 Definition of key terms**

#### **Political economy**

Scholars Keohane (2005), Gilpin (2001) and Krasner (1994) conclude that politics and economics are intertwined and that economic activity is determined by politics as it is directed towards serving the concerns of the dominant groups in a polity.

#### **Economic relations**

Crumm (1977) and Kozak and Shengelia (2014) explain that economic relations occur when two or more countries give incentives like export credits, investments, transfer of technology and loans to one another.

#### **Foreign direct investment**

Cahen (2015), Voica, Panait and Haralambie (2015) posit that foreign direct investment is an investment which spans a considerable amount of time and involves an investor in one country doing business in another country.

## **Foreign policy**

Sun (2014), Anthony, Tembe and Gull (2015) note that foreign policy is the employment by a country of political clout to make other states use their power in a way desired by the country concerned.

## **Political engagement**

Haas O' Sullivan (2003) and Shamsi *et al.* (2014) refer to political engagement as including the incentives of diplomatic recognition, admittance into Intergovernmental Organizations and high level exchanges by statesmen.

## **Diplomacy**

Kissinger (2012) and Haas O' Sullivan (2003) explain that diplomacy is the handling of relations between states and their competence in doing this.

## **1.8 Preliminary Literature review**

### **1.8.1 Introduction**

Academic interest in China keeps growing on the African continent, and this interest is not limited to academia but there is also interest from governments, the private sector and civil society. In the literature review for this study, the researcher has classified the process into the following sections: the rise of China, Africa's economic underdevelopment, China-Africa relations in the traditional discourse, China-Africa relations in the contemporary discourse, and China-South Africa relations.

### **1.8.2 The rise of China**

China has a great past and in ancient times her people called her the Middle Kingdom as she was the dominant power in East Asia. Inventions like the gunpowder, paper, paper money, printing and the compass originated from the Middle Kingdom and changed the world. China lost its hegemony status and went through a period of decline but in recent times she is rising to greatness again. Her economy is booming with no developing nation rivalling the amount

of FDI the Chinese economy has benefitted from and with China home to over a quarter of the global population, she has a huge labour force which translates into national power (Fardon 2007:4).

Fardon (2007) agrees that China is already an economic super power with the world's second largest economy that is projected to overtake the US economy in a few decades. China is the world's "factory", manufacturing goods at a fraction of the costs it will take to produce the same goods in more developed economies and this has made goods from developed economies unable to compete with those from China. For emerging economies with nascent industries, their citizenry now have access to affordable goods from China which they otherwise would not have been able to afford had the goods originated from more developed economies. This has resulted in China accruing a huge trade surplus compared to other countries and the money earned from trade has enabled China which was once just a destination for FDI to become a major source of FDI.

Her rise has elicited concerns from China scholars especially those from the West who see in China a challenge to the global economic order. It can be argued that indeed her rise is a challenge to the Western world since empirical knowledge shows that a country rising to major power status can cause economic and security conflicts. The rise of Germany in the 19<sup>th</sup> century, the rise of the US in the 19<sup>th</sup> century and the continuing rise of Germany in the 20<sup>th</sup> century validates this argument. It is worth noting that when it comes to China's economic relations and behaviour with other countries, she actively pursues strategies that undermine the norms and the institutional architecture of the global economic order. The Beijing Consensus has come to be viewed as an alternative to the Washington Consensus and does not give rigid prescriptions to developing nations like, freeing up markets, privatisation and deregulation but rather it acknowledges the need for different policy prescriptions for different countries.

China's rise is immediately felt in her neighbourhood with Weitz (2011) and Snitwongse (2003) remarking that a power arrangement in the Asia pacific-region is fast evolving. With a strong economy, China now has more funds available for military modernization and Beijing is now more assertive in her territorial claims in the South China Sea. Weitz (2011) points out that this 3.5 million-square ocean body contains oil and other minerals with China, Vietnam, Malaysia, Brunei, Philippines and Taiwan all claiming that the area is part of their exclusive

economic zone (EEZ). China makes naval patrols in this zone and is actively involved in land reclamation projects for the purpose of building military bases to protect her claims. Scholars of international relations use the theory of ‘offensive realism’ to explain this behaviour (Fravel, 2011).

China’s territorial expansion in her neighbourhood is destabilizing the region yet she is on a charm offensive to Africa raising concerns as to whether her intentions in Africa will continue to be pacific in the long term. Lumumba-Kasongo (2011:237) concurs with this view when he suggests that researchers, governments and policy makers interested in China-Africa relations need to critically examine the nature of the relationship. He goes on to warn African states on the dangers of being neo-colonized by China when he states that there are countries that history has bequeathed a certain vulnerability in their political and economic systems because of colonialism. Melber (2008:394) also warns that China-Africa trade is not a deviation from the established unfavourable global trade pattern whereby Africa exports raw materials and imports manufactured goods.

Other scholars see the China-Africa engagement in a different light. Fijalkowski (2011) maintains that China’s engagement with Africa presents an opportunity Africa must take advantage of. Africa can learn from China’s model of economic development and aid and FDI from China is helping Africa develop.

### **1.8.3 Africa’s economic underdevelopment**

Africa is the most underdeveloped and impoverished continent in the world and there are a host of reasons that have contributed to this state of affairs. The colonization of Africa by Western powers, the policy prescriptions dictated by the World Bank in the form of the Structural Adjustment Programme (SAP) and globalization are but a few reasons that have contributed to Africa’s present underdevelopment.

The colonization of Africa was a continuation of the economic relationship between Europe and Africa which was in the form of the trade that started with the expeditions by the Portuguese into West Africa, in the 15<sup>th</sup> century. It is plausible to say that European powers decided to colonize Africa because they needed raw materials, cheap labour and additional

markets for the goods of the industrial revolution. Alemazung (2010:63) concurs when he writes that European powers exploited African resources to develop their economies. There was also strategic political and military competition among Western powers and colonial Africa was of strategic value. According to Settles (1996) colonialism adversely affected Africa by changing the people's modes of thought, cultural development and how they lived through the change in the structure of African polities. Previously, African economies were developing and there was trade between the countries but this was altered when their economies were restructured and inter African trade stopped and was replaced by trade between the Western colonizing state and the African colonized state. Colonialism has ended but the colonial legacy can still be seen in the form of neo-colonialism which Alemazung (2010) has aptly termed "Post-Colonial Colonialism."

The widely held view is that Africa is a continent blessed with natural resources and arable land. Venables (2010:469) argues that this is a misconception, for according to this scholar the continent is not favoured by natural advantage and the arable lands are uneven with some places susceptible to drought and the continent's natural resources are unevenly distributed and very inadequate for the continent's developmental needs. Venables' term 'economic geography'(2010) is relevant here as it is a concept which looks at how factors like natural resource endowment, business environment and market size can have impact on the continent's development. It can be argued that the continent is prone to diseases like malaria, as well as calamities like the recent ebola outbreak and other major diseases which have impacted negatively on the continent's development. When studies the map of Africa one can observe that most of the countries are landlocked with no navigable rivers and this hinders development. Africa also has a low population density in many areas and is divided into small countries which form multination states. This geo-political arrangement leads to a lot of conflicts and wars and history shows that Africa has witnessed a lot of these.

Venables'(2010:469) argument is contentious for the writer wonders that if the continent is not rich in natural resources then what motivated the European powers to scramble for Africa or embark on colonization? Other scholars like Melber (2010), and Akongbowa and Oghoator (2011) also contend that the continent is rich in natural resources which is the motivating factor for China's encroachment upon Africa.

According to Brawley and Baerg (2007:601) different criteria have been employed to measure the impact of SAPs on developing economies and there is a general consensus that they do not improve a country's balance of payments significantly. SAPs are economic policies developed in the 1980s as part of international financial institutions (IFIs) assistance to highly indebted countries where the IFIs asked those countries to, *inter alia*, liberalize tariffs, open up their markets and increase taxes (Brawley and Baerg, 2007). One can infer that the import substitution policies embarked on by African states led them into a debt trap because they obtained loans in US dollars for their policies and when the US dollar appreciated these states could not repay their loans.

African states have had SAPs imposed upon them by IFIs in an effort to help these states meet their debt obligations, and it can be argued that SAPs have failed to move the balance of payments of African states from negative to positive and where repayment efforts have been hailed a success, that has been short-lived. Konadu-Agyemang (2000:469) agrees with this assertion when he states that African countries under the SAP programme may either encounter extraordinary economic growth or they may encounter unbalanced development, low standard of living, poverty and inaccessibility to basic services.

Brawley and Baerg (2007:601) contend that the reasons for the failure of SAPs are because the economic models behind the programmes are premised on unrealistic assumptions about the micro-level process of trade adjustment and these micro-level dynamics have affected the domestic politics of SAPs.

Globalization according to Akindele (1990) is the process in which political, economic, social and cultural ties between nations become stronger. The phenomenon can be traced back to the period after the Second World War, but close to the turn of the 21<sup>st</sup> century the process was spurred by technological advances and the liberalization of markets. On the liberalization of markets, Cerny (1994) opines that this has furthered the phenomenon by increasing investment and interdependence among nations.

Globalization has mixed results in developing countries. It can be argued that it has made the economies of East Asian states grow rapidly but not all developing countries have seen this growth. Charlick (2000) claims that for Africa, globalization has largely been a curse because it has not benefited the people of Africa, and one of the reasons Tandon (1998) advances for

this state of affairs is that globalization wants to do away with all national barriers to free trade and international capital. On the other hand, Africa desperately needs to protect her markets and industries from foreign competition at this stage of her development as is confirmed by the fact that European states protected their markets and industries from one another before the advent of globalization. A similarly view is held by Oyejide (1998) who argues that African states have lost their economic sovereignty because of globalization; they are forced to become agrarian economies that depend on mono-cash crops for export whose prices are determined on the international markets.

As stated earlier the results of globalization are mixed. Ibrahim (2013:88) argues that information and communication technological advances which were necessitated because of globalization and in turn spurred the phenomenon, have made it easier for Africans to interact with one another and the outside world. The cellular phone has allowed African economies to exploit the development of and application of communications technology. Communication via the cellular phone contribute to the Gross Domestic Product (GDP) of any countries in Africa. Ibrahim (2013:89) further highlights the fact that one of the ways globalization has impacted positively on Africa is that it has made African people see how people in other parts of the world are governed, developing a critical awareness among citizens of many countries.

#### **1.8.4 China-Africa relations in the traditional discourse**

According to Obiorah (2007:35) traditional Chinese engagement with the African continent started in the aftermath of the communist revolution of 1949 when the Chinese lent support to liberation movements in their struggle against colonialism. Abdenur *et al.* (2014:306) mention Angola as one of countries that received help during its liberation struggle, from the Chinese. Lumumba-Kasongo (2011:242) is more specific when he states that this traditional China-Africa engagement was forged at the Bandung Conference in Indonesia in 1955. At the conference there was an affinity between both parties as they both saw themselves as belonging to the South with a common history of colonialism.

During that period the context of Sino-African engagement was different from the context today. Suzuki (2013) agrees with Lumumba-Kasongo (2011) when he writes that China was

not strong economically as it is today and so the engagement was more political than economic. Kanza (1975) contends that China was involved in diplomatic feuds with the US and the Soviet Union and needed diplomatic support from the South. She got this from Africa by supporting African liberation movements in different countries who in turn lent their political support upon gaining their independence. An example of this is the crucial role African states played in getting China to replace Taiwan at the United Nations.

Ogunsanwo (cited by Suzuki, 2013:101) and Amanor (2013) state that China embarked on aid projects which the two superpowers did not consider economically viable. This was done in an effort to undermine the two superpowers by presenting China as different from the two, as she was projected as a developing nation who appreciated the developmental needs of the African states. An example of this is the Tazara railway project that linked Tanzania with Zambia which China embarked on despite the fact that China also needed railway infrastructure for her own citizenry. China's traditional engagement with Africa stopped in the 1980s because Beijing had to focus her attention on economic reforms and she did not have an appetite for grandiose foreign policy initiatives due to financial constraints (Suzuki, 2013) and Lumumba-Kasongo (2011).

### **1.8.5 China-Africa relations in the contemporary discourse**

The year 2000 and beyond ushered in an era of increased economic engagement between China and Africa as can be seen in Lumumba-Kasongo (2011:243) when he writes that between 2001 to 2010, China has encroached upon a few sectors of the African economy. This encroachment is mainly into Africa's natural resources industry especially the crude oil industry. Melber (2008:394) writes that in 2006, oil and gas made up 62% of Africa's exports to China while other minerals made up 13%, another form of economic engagement between the two parties is the aid China gives to Africa.

China's economic engagement with Africa is informed by the spirit of south-south cooperation. There has been a longstanding southern activism in International Relations in which the countries of the South want their marginalization in the global political economy to end. The cords that bind the nations of the South are their shared histories of colonialization and

common developmental needs. Landsberg (2010:7) contends that south-south solidarity or cooperation is an imprecise term used to define the activities going on in third world countries which have suffered colonialism and are marginalized by the West. Cooperation between China and Africa can be seen in the form of capital flows and trade and this cooperation is threatening the historical ties between the West and Africa.

Cooperation between emerging economies like China and Africa is mainly in the economic sphere and while this has created diversified sources of aid and trade partners, Amanor (2013:20) highlights that detractors in the West are quick to condemn such relationships saying that they put commercial concerns above good governance within the framework of market liberalization. FOCAC is a geopolitical platform that enhances cooperation between China and Africa and has a strong element of international politics that bring Africa and China together (Wekesa, 2015:1). When both parties engage on the FOCAC platform, China normally announces loan deals and writes off debts.

As highlighted earlier in this section China's encroachment into Africa is driven by her need for Africa's natural resources such as crude oil. This has spurred China to conduct robust trade with the African continent. Amanor (2013) indicates that trade with the continent increased by 33.5% and in the year 2009 China became the Africa's largest trading partner surpassing the US.

The US and China are home to the world's largest and second largest economies respectively and there is robust trade between both parties. China has enjoyed a trade surplus with the US in recent times but in the post-recession US economy, policy makers have sought to stimulate the country's manufacturing base and this is forcing Beijing to diversify her trade partners (Amanor 2013:25).

## **1.8.6 China-South Africa relations**

### **1.8.6.1 South Africa's foreign policy towards China**

South Africa's foreign policy changed course after the demise of apartheid. During the apartheid era South Africa was labelled a pariah state which did not enjoy good relations with

African states because of her racist policies and minority rule and she certainly did not have good relations with China because of the material and ideological support China lent to liberation movements on the continent.

In the aftermath of apartheid, South Africa has forged ties with African countries and other developing countries who supported the liberation struggle against apartheid. Relations with China has come to occupy an important place in South Africa's foreign policy in line with the increasingly important role China is playing in Africa. Sun (2014:1) opines that China's encroachment on Africa has seen China become a source of aid for Africa with Beijing also funding infrastructure projects on the continent. The relationship can be labelled as a mutually beneficial one as Africa, in turn, is a source of natural resources for Chinese industries.

Park and Alden (2013:645) point out that South Africa and China established diplomatic relations in 1998 when South Africa cut ties with Taiwan in favour of ties with China. It was a pragmatic decision on the part of the Mandela presidency largely based on economic considerations in foreign policy or 'economic diplomacy'. Vickers (2012:112) defines economic diplomacy in the South African context as the 'ways and means' that Pretoria negotiates South Africa's place in the global economy at three levels namely the bilateral, regional and the multilateral.

Apart from the economic considerations which spurred South Africa to forge ties with China, there are other considerations that guide the country's foreign policy between the two. One of the considerations is the sense of South-South solidarity; both countries see themselves as developing countries who have suffered under the yoke of colonialism and who seek to challenge what they see as a western-dominated hegemony of the global economic order, the Washington Consensus (Anthony, Tembe and Gull, 2015). Another consideration is the fact that both countries belong to the BRICS grouping. These countries are the leading emerging economies of the 21<sup>st</sup> century and they have some of the fastest growing economies in the world.

Thus Pretoria has calculated that forging ties with Beijing is more important than her ties with her traditional Western partners. This has led to high level agreements between both parties in the form of the Bi-national commission, the Strategic Partnership and the Comprehensive Strategic Partnership (Anthony, Tembe and Gull, 2015:10). The close relationship Pretoria

enjoys with Beijing worked in South Africa's favour when China lobbied for South Africa to join the BRICS grouping. One cannot deny that one major benefit South Africa has gained from forging closer ties with China is access to China's huge market for South African goods.

Critics of the relationship have argued that China's deplorable human rights record, the oppression of the Tibetan minority, her authoritarian form of government and her support for repressive regimes on the African continent should also be considered by Pretoria in her foreign policy towards Beijing. In tandem with political realism South Africa is pursuing her national interest and ignoring these realities. Obiorah (2007) contends that though African governments are receptive to China's encroachment on Africa, human rights groups and political pundits warn that China's support of repressive regimes from Zimbabwe to Sudan, in the form of conducting trade and arms sales with these countries will only make such regimes more repressive and make them ignore international condemnations and sanctions.

#### **1.8.6.2 China's foreign policy towards South Africa**

China's interests on the continent informs her foreign policy towards Africa. Sun (2014) contends that her national interests in Africa covers the political, security, economic and ideological dimensions and he dismisses pundits who argue that China is in Africa solely for her natural resources. Sun's (2014) assertion has some credence since history shows that during the liberation struggles; China assisted independence movements on the continent. China gave material and ideological support to the Pan Africanist Congress of Azania (PAC). In modern times China has relied on African political support in multilateral forums like the United Nations and in return China gives diplomatic support to pariah regimes on the African continent. Africa has therefore become very instrumental in Beijing's One-China policy.

Sun (2014) further contends that even politically, Africa is of low priority on Beijing's foreign policy agenda. Africa does not have big powers that challenge China's rise and Beijing does not have the territorial disputes in Africa that she has with her neighbours in the South China Sea. It is plausible to say that, Africa is just a stepping stone for China's march to greatness.

The economic dimension of China's foreign policy on the continent takes precedence over all the other dimensions. Africa is a continent rich in natural resources which China needs for her

industries and Africa is a huge market for Chinese exports. However, Sun (2014) argues that so much focus is placed on the economic dimension of Beijing's foreign policy towards Africa when in reality, the trade accounts for only a tiny fraction of China's foreign trade and investment. This is true when compared to China's trade and investment with the rest of the world but the reality is that Africa is incrementally becoming significant to China.

It is within this context that South Africa defines her bilateral relations with China. South Africa is very important to Beijing in her Africa strategy for a host of reasons. Firstly, she is home to the continent's most advanced economy, boasting a well-developed infrastructure and a world-class financial services industry and a rising middle class just to highlight a few. Secondly the country also has abundant mineral resources which China needs for development for South Africa is a global leader in diamonds, and precious minerals such as gold, platinum and chromium and she is the world's sixth largest coal producer. Zweig and Jianhai (2005) contend that China's need for natural resources drives much of her foreign policy agenda and they have labelled this a "resource-based foreign policy." Thirdly South Africa is a regional power on the African continent with a leadership role. She has a lot of clout over countries on the continent and for China to have good ties with countries on the continent she must develop good ties, first, with South Africa.

### **1.9 Research design**

A case based approach will be employed to analyse Sino-South Africa ties. Yin (cited by Rozdilsky, 1999) says the case study approach is well suited in a setting where, when, how or why questions are being asked and in a setting in which the researcher has limited control over the circumstances or when the spotlight is on a current phenomenon, within a real life situation. King, Keohane & Verba (1994:43) remark that a lot of what political scientists do is 'describe politically important events systematically.' Creswell (2009:73) also defines case study research as involving the analysis of a topic, explored through more than one case, within a context. Skate (cited by Creswell 2009:73) remarks that this research can be described as a single instrumental case study in which the researcher targets an issue and chooses a case to depict the issue.

The citizenry in any country may be concerned about issues such as the rise of China, the Arab-Israeli conflict, and the war on radical Islam. The onus is on political scientists to describe these events and if possible compare them to other related or relevant events. Accuracy in the descriptions of these events is very important as far-reaching policies and decisions are based on them. Disciplined qualitative research sifts through information and analyses for example the topic of the rise of China rather than just relay what reporters say about it.

King, Keohane & Verba (1994:44) state that case studies are important for description and therefore fundamental to social science. It is a futile exercise to explain what one has not previously described with a high degree of accuracy. In International Relations and Political Science the job of describing cannot be overemphasized because there are a lot of unknowns and usually our explanatory skills are weak if not supported by clear decisive descriptions; good description therefore is fundamental to good explanation. In the domain of International Relations power patterns, alliances and international interdependence have been evolving, thereby necessitating the need for careful description and the case study approach enhances the quality of description.

Creswell (2009:75) states that one of the challenges in employing the case study approach is that the researcher must select his case out of several cases. The researcher must make a choice to study a single case or many cases but the study of more than one case reduces the quality of the final analysis as the researcher usually does not delve deeply in any one case. Researchers may be accused of generalizing when they look at more than one case.

### **1.10 Methodology**

This research is qualitative in nature. Creswell (2009:37) states that qualitative research ‘begins with assumptions, a worldview, the possible use of a theoretical lens, and the study of research problems inquiring into the meaning individuals or groups ascribe to a social or human problem.’ Inquiry into the research problem makes qualitative researchers employ a qualitative method of inquiry, the gathering of data in a natural setting that is sensitive to the people and places being investigated and analysis of data that create patterns and themes.

The researcher gathered data via interviews with experts on South Africa-China relations, Chinese traders, analysis of data extracted from books, journals, conference reports and policy documents. Gathering data from various streams is the hallmark of qualitative research and the researcher then interpreted the data and moulded them into themes. In doing the above, analysis was made of the rise of China and what this means for Africa in general and South Africa in particular.

Griffin (2004) highlights some of the shortcomings of qualitative research when she notes that data collection and analysis are both time consuming and costly and many intellectuals and policymakers disregard this method and also the sampling population is modest.

### **1.11 Target population**

According to Creswell (2009) a target population is a specified large group from which the researcher obtains a sample and from which results are generalized. The chief reason for sampling is to get a picture of the population from which the participants will be drawn. The target population is composed of Chinese envoys from the Embassy of the People's Republic of China in South Africa, seasoned researchers from think tanks dealing with international relations, South African government officials, specifically from the Department of International Relations and Cooperation, Department of Trade and Industry and targeted academics from two universities because of their proximity and accessibility. The reason the researcher chose these as a target population is because the method is expert sampling, a subcategory of purposive sampling as these are experts in the field of China-South Africa relations. Kerlinger (1986) defines purposive sampling as another non-probability based sampling which can illicit information from a very specific group of people. The researcher therefore chooses the most appropriate sample to answer the research question. Thus the researcher purposively sampled them on the basis of their knowledge of the study.

### **1.12 Data collection instruments**

Creswell (2012:118) states that data collection is a process or activities designed to answer research questions. Bernard (2011) also states that data collection is important in research

because it facilitates a better understanding of the theoretical framework. The researcher gathered data via literature review and semi structured interviews. This is a literature-based study using both primary and secondary official sources. This method was chosen because it searches for data and critically analysis it.

### **1.12.1 Literature based study**

A large portion of the data used in this project was obtained through literature review. There was a broad review of literature from journals, magazines, periodicals, pamphlets, government reports and policy documents. The quantification of fieldwork is not the aim of this study, however the study makes a contribution to academia through the recording of a case study and qualitative analysis. Literature review played a key role in secondary data collection and analysis.

Hart (1998:1) cannot overemphasis the importance of literature review when he writes that without the review of literature, the topic cannot be grasped: the main arguments, the manner in which it has been researched and what has already been researched on the topic. The data collection instruments included purposive sampling, that is choosing those knowledgeable about the study and convenience sampling, which is choosing those available for the study.

### **1.12.2 Semi-structured interviews**

Interviews complemented the literature search because there was a need to obtain on-going information from experts on the study area. Therefore informants were selected purposively because of their expertise in the field of China-South African relations The interviews were unstructured since such types of interviews are more flexible and more likely to yield information. Informants were asked open-ended questions on the ‘Chinese engagement with South Africa’ so as to solicit their views on the subject.

### **1.13 Data analysis instruments**

Data was thematically analysed in this research. According to Braun and Clarke (2006) this is a method for analysing patterns of meaning in data which will help in answering the research questions. The researcher identified a number of themes that reflected the textual data. Patterns were seen through the process of data familiarisation, data coding and theme development. Data familiarisation is important so that the analysis will be insightful. The researcher collected and transcribed the data so as to be familiar with it.

### **1.14 Ethical considerations**

Before participants were engaged in this research, permission was obtained from the authorities concerned and there were no financial incentives to motivate participants to become involved in this research. All data obtained from respondents was treated as confidential and the identity of the participants was protected. If gathered data needs to be referenced, authorization were be sought from the participant. Secondary sources of data were referenced and the findings of the study shall be communicated to relevant stakeholders before publication.

### **1.15 Chapter breakdown**

#### **Chapter 1: Introduction**

This chapter introduced the study, the background of the study, aims and objectives, research questions as well as the preliminary literature review. The background to the study looked at what informed the decision of a majority of African leaders to develop ties with China while maintaining ties with their traditional European partners. It was stated that China had broken the monopoly of Western nations when it came to sourcing aid for African countries. African leaders felt that the Chinese leadership empathized with them because China was a sister developing nation and her terms for disbursing aid would be more favourable. A brief history of Sino-Africa relations in the modern era was examined. The researcher informed that historically China's engagement with Africa was mainly politically as China was engrossed

with the idea of exporting her brand of communism and supporting African liberation movements in the aftermath of the Sino-Soviet split.

China's rise has changed the political economy of some African countries and these countries are increasingly becoming proxies of Beijing as she trades aid and loans for political clout. Visits by Chinese statesmen to African countries is drawing the continent closer to China at the expense of the West.

## **Chapter 2: Literature review and conceptualization of the study**

This is the section where the literature review and conceptualization of the study was treated. The researcher examined literature on the rise of China and the works of authors like Fardon (2007), Weitz (2011), Snitwongse (2003), Glaser (2012), and Orion (2016) were seminal to this study. Fardon (2007) stated that China was already an economic superpower possessing the world's second largest economy and he labelled China the world's "factory" because of her manufacturing prowess.

The researcher identified the colonization of Africa, the World Bank's SAP and globalization as being some of the reasons for Africa's underdevelopment. The works of Ocheni & Nwankwo (2012), Settles (1996), Hrituleac (2012) and Venables (2010) on the colonization of Africa were seminal to the study. On the SAP the studies by Brawley & Berg (2007), Konadu-Agyemang (2000) and Easterly informed this research undertaking. On the issue of globalization studies by Akindele (1990), Adejo (2003) and Ibrahim (2013) were very informative.

On China's foreign policy towards South Africa studies conducted by Sun (2014), Yaqin (2008) and Park & Alden (2013) were seminal. South Africa's leadership role on the continent drew China to her. The theory of interdependence was selected to explain the bilateral relation between China and South Africa.

### **Chapter 3: Sino-Africa relations**

This part of the study looked at Sino-Africa relations. It traced the history of traditional Sino-Africa relations to the period after the communist revolution of 1949 when China started the policy of lending support to African liberation movements. Countries like Angola benefitted from this policy. In the contemporary era China's economic interests have relegated her political interests and her political relations on the African continent have an overriding end in the mind of Chinese foreign policy decision makers-to have an economic stake in the African continent. Besides gaining access to Africa's natural resources, China engages with Africa with three incentives: aid, trade and infrastructure projects.

### **Chapter 4: Sino-South Africa bilateral relations**

This chapter looked at the character of the Sino-South Africa engagement and what informed the engagement. This part of the study showed that both countries enjoyed a mutually beneficial relationship since the establishment of diplomatic ties in 1998. Currently South Africa is China's largest trading partner on the continent. Political and economic relations between the two countries were examined.

### **Chapter 5 Discussion and analysis of the study**

In this section data collected through interviews were analysed

### **Chapter 6 Conclusion and recommendations**

In this section conclusions were made and recommendations proffered. The research questions are addressed and it would be seen if the research findings validate the research assumption and if the study objectives have been met. Recommendations have been made for future research in this area.

## CHAPTER TWO

### 2.1 Literature review and conceptualization of the study

#### 2.1.1 Introduction

Academic interest in China keeps growing on the African continent, and this interest is not limited to academia but there is also interest from governments, the private sector and civil society. In commencing the literature review for this study, the researcher classified the process into the following sections: the rise of China, Africa's economic underdevelopment, China-Africa relations in the traditional discourse, China-Africa relations in the contemporary discourse, and China-South Africa relations.

#### 2.1.2 The rise of China

China has a great past and in ancient times her people called her the Middle Kingdom as she was the dominant power in East Asia. Inventions like the gunpowder, paper, paper money, printing and the compass originated from the Middle Kingdom and changed the world. China lost its hegemony status and went through a period of decline but in recent times she is rising to greatness again. Her economy is booming with no developing nation rivalling the amount of FDI the Chinese economy has benefitted from and with China home to over a quarter of the global population, she has a huge labour force which translates into national power (Fardon 2007:4).

Fardon (2007) agrees that China is already an economic super power with the world's second largest economy that is projected to overtake the United States (US) economy in a few decades. China is the world's "factory", manufacturing goods at a fraction of the costs it will take to produce the same goods in more developed economies and this has made goods from developed economies unable to compete with those from China. For emerging economies with nascent industries, their citizenry now have access to affordable goods from China which they otherwise would not have been able to afford had the goods originated from more developed economies. This has resulted in China accruing a huge trade surplus compared to other

countries and the money earned from trade has enabled China which was once just a destination for FDI to become a major source of FDI.

Her rise has elicited concerns from China pundits especially those from the West who see in China a challenge to the global economic order. Her rise is a challenge to the Western world since empirical knowledge shows that a country rising to major power status can cause economic and security conflicts. The rise of Germany in the 19<sup>th</sup> century, the rise of the US in the 19<sup>th</sup> century and the subsequent rise of Germany in the 20<sup>th</sup> century validates this argument. In China's economic relations with other countries, she actively pursues strategies that undermine the norms and the institutional architecture of the global economic order. The Beijing Consensus has come to be viewed as an alternative to the Washington Consensus and it does not give rigid prescriptions to developing nations by indicating freeing up markets, privatisation and deregulation but rather China acknowledges the need for different policy prescriptions for different countries.

China's rise is immediately felt in her neighbourhood, with authors like Weitz (2011) and Snitwongse (2003) remarking that the power arrangement in the Asia Pacific region is fast evolving. With a strong economy China now has more funds available for military modernization including her maritime capabilities and Beijing is now more assertive in her territorial claims in the South China Sea. Weitz (2011) points out that this 3.5 million-square ocean body contains oil and other minerals, with China, Vietnam, Malaysia, Brunei, Philippines and Taiwan all claiming that it is part of their EEZ. A case in point is the Philippines contracting Forum Energy from the United Kingdom to drill for natural gas in the South China Sea in an area called Reed Bank which China claims is in her EEZ (Glaser, 2012: 2). Yaqing (2008:34) contends that China's rapid economic growth creates an increasing need for energy and resources.

China makes naval patrols in this zone and is actively involved in land reclamation projects for the purpose of building military bases to protect her claims. Scholars of international relations use the theory of 'offensive realism' to explain this behaviour (Fravel, 2011) and (Yaqing, 2008). Glaser (2012:1) warns that the potential for conflict in the South China Sea is real not only between China and her neighbours but also between her and the US because US naval ships also patrol that body of water. These patrols are part of the US policy to contain

China in the region which the Obama administration aptly named the ‘pivot to the Pacific’ (Manyin *et al.* 2012). US interference in the region is necessitating Beijing to develop military capabilities to counter, what she considers, US encroachment on her backyard. US military activities are not restricted to naval patrols only, there are also reconnaissance flights by US jets which Chinese jets sometimes intercept. Glaser (2012) notes the infamous incident in 2001 when a Chinese F-8 fighter jet collided with a US EP-3 reconnaissance plane leading to a diplomatic crisis between the two countries. China’s One-China policy also has the potential to destabilize the region. Any attempt by Taipei to declare independence will force a military response from Beijing. According to Kan and Morrison (2013:4) the US will be forced to come to Taiwan’s defence in terms of the Taiwan Relations Act of 1979. It can, however, be noted that the relationship between Taipei and Beijing has improved in recent times due to the increasing commercial ties between them. It can also be argued that in Beijing’s calculations solving the cross-strait issue, militarily, will only backfire because states in the region will be compelled to draw closer to the US to deter China’s expansion.

China’s rise does not only cause belligerence between her and her neighbours, in the sense that it is a zero-sum game but can also be argued as a win-win situation for her and her neighbours in terms of the economic benefits both parties are accruing. Snitwongse (2003:39) points out that in South East Asia, China is seen as the economic hub of the region, a distinction that Japan once held and the author alludes to China’s agreement with the Association of South East Asian Nations (ASEAN) to establish a free-trade area (FTA) in 2010. This FTA will invariably bind China economically to ASEAN countries at the expense of the US and Japan. Salidjanova, Koch-Weser and Klanderman (2015:1) note that the free-trade area became operational in 2010. Orlik (2015) point out that apart from the FTA with ASEAN, China has embarked on an economic initiative called ‘One Belt, One Road’ (OBOR) to link her economy with those of her neighbours and beyond, through increased trade. Orlik (2015) describe OBOR as having two components: One Road being a maritime silk road from Fujian on China’s coast that goes through the straits of Malacca, the horn of Africa and ends in Venice and the ‘One Belt’ is an overland course that starts from central Asia via the Middle East and culminates in Europe. Such interdependence may stop China from resorting to force in her territorial claims as Keohane and Nye (1987) argue when they state that the more economically interdependent actors become, the less likely they will use force to resolve disputes. Based on

Keohane and Nye's argument one may conclude that China's naval patrols may be aimed at deterring her neighbours from making territorial claims and China may stop at actual armed conflict because the economic costs will be too high for Beijing.

China's territorial expansion in her neighbourhood may be destabilizing to the region yet she is on a charm offensive in Africa raising concerns as to whether her intentions in Africa will continue to be pacific in the long term. Lumumba-Kasongo (2011:237) expresses similar fears when he says that researchers, governments and policy makers interested in China-Africa relations need to critically examine the nature of the relationship. He goes on to warn African states of the dangers of being neo-colonized by China when he states that there are countries that history has bequeathed a certain vulnerability in their political and economic systems because of colonialism. Melber (2008:394) also warns that China-Africa trade is not a deviation from the established negative global trade pattern whereby Africa exports raw materials and imports expensive manufactured goods.

Other scholars see the China-Africa engagement in a different light. Fijalkowski (2011) maintains that China's engagement with Africa presents an opportunity Africa must take advantage of. Africa can learn from China's model of economic development and aid, additionally, FDI from China is helping Africa develop.

China's charm offensive is not only limited to Africa as she is also on a charm offensive to Latin America. China's activities in Latin America mirror the US's activities in South East Asia, albeit on a smaller scale. China seeks to counter-balance US power in the region. Dreyer (2006:85) notes that this has caused considerable worry in the US as policymakers in Washington fear that countries in the region will drift towards China at the expense of the US. Dreyer further states that China sees Latin America as also a source of raw materials for her industries and a ready market for her finished products. Chinese official rhetoric in Latin America mirrors the rhetoric in Africa with the partnership being described as a win-win one (Logan and Bain, 2005).

Just like in Africa, there is also a military aspect to China's encroachment into Latin America. Orion (2016:1) points out that China has signed an agreement with Djibouti to construct a logistics base for the Chinese navy that will be operational for a decade, in line with Beijing's

ambitions to build a blue water navy. In Latin America there has been an increase in the training of military officers from the region in Chinese military academies (Horta, 2008).

### **2.1.3 Africa's economic underdevelopment**

Africa is the most underdeveloped and impoverished continent in the world and there are a host of reasons that have contributed to this state of affairs. The colonization of Africa by Western powers, the World Bank imposed SAP and globalization are but a few of the reasons that have contributed to Africa's present status.

Ocheni & Nwankwo (2012:46) explain colonialism as the direct and complete domination of one nation by another on the basis of state power being controlled by another power. It is plausible to state that the first aim of colonialism is political control and afterward economic. The colonization of Africa was a continuation of the economic relationship between Europe and Africa which was in the form of the trade that started with the expeditions by the Portuguese into West Africa in the 15<sup>th</sup> century. European powers decided to colonize Africa because they needed raw materials, cheap labour and additional markets for the goods from the industrial revolution. Ocheni & Nwankwo (2012:46) similarly write that colonialism started as a result of the industrial revolution and Alemazung (2010:63) that European powers exploited African resources to develop their economies.

There was also strategic political and military competition among European powers and colonial Africa was valued strategically. According to Settles (1996) colonialism adversely affected African's by changing their modes of thought, cultural development and how Africans lived through the change in their political structures. This change in their political structures left a legacy of corruption and instability. Hrituleac (2011) add that Europeans came with traditions to implement and justify their stay in Africa. African economies were developing and there was trade between African polities but these were altered when their economies were restructured and inter-African trade stopped and trade was now between the colonizing state and the colonized state. Infrastructure set up to foster trade was oriented towards Europe such as in communication and banking services. A phone call from Accra to Lagos previously had to be diverted through London thus making communication costs high. The same reality exists

today; a phone call from Johannesburg to London is cheaper than from Johannesburg to Accra. African economies were agrarian and encouraged to remain so for the benefit of the Metropolitan countries in Europe and this presented a problem after independence as it was impractical for African states to trade with one another as in most case they were producing the same agrarian goods.

Africa is a continent blessed with natural resources and arable land, however Venables (2010:469) argues that this is a misconception. According to this author, the continent is not favoured by natural advantage and the arable lands are uneven with some places susceptible to drought. In addition the continent's natural resources are unevenly distributed and very inadequate for the continent's developmental needs. Focusing on Venables'(2010) term, 'economic geography' looks at the impact factors like natural resource endowment, business environment and market size have on the continent's development. It can be argued that the continent is prone to diseases like malaria and the recent ebola outbreak and other major diseases have impacted negatively on the continent's development. When one takes a look at the map of Africa one can observe that most of the countries are landlocked with no navigable rivers and this hinders development. Africa also has a low population density in some places and the continent is divided into small countries which are multination states. This state of affairs leads to a lot of conflict and wars and not surprisingly Africa has witnessed a lot of these.

Venables'(2010:469) argument is contentious, with this scholar contending that if the continent is not rich in natural resources then what motivated the European powers to scramble for Africa or embark on colonization? Other scholars like Melber (2010), and Akongbowa and Oghoator (2011) also contend that the continent is rich in natural resources which is the motivating factor for China's encroachment upon Africa. This same motivation drove the Europeans to conquer Africa, centuries ago.

Colonialism has ended but the colonial legacy can still be seen in the form of neo-colonialism which Alemazung (2010) has aptly termed "Post-Colonial Colonialism." Colonialism had some benefits for Africa, however when one looks at the overall picture, one can argue that colonialism impacted Africa negatively. In post-colonial Africa the societal structure is such that only the political elite or the politically connected live in affluence while the rest of the

populace live below the poverty line. Tangie (2006) claims that the generation of Africans born in the post-colonial era condemn the African political elite for the graft that plaques the continent.

One enduring legacy of colonialism is the ethnic strife on the African continent. Ethnic rivalry and superiority complex can be seen in all cultures around the world, however the “divide and rule” tactics employed by the Europeans complicated the relations between the numerous ethnic groups. In some cases two sets of people with a long history of ethnic hostility were put together in a “nation” and this has been the bane of Africa which is evident in the countless civil wars the continent has witnessed. Bujra (2002) confirms this when he notes that ethnicity plays a role in civil wars in Africa.

Brawley & Baerg (2007:601) point out that different criteria have been employed to measure the impact of SAPs on developing economies and there is a general consensus that they do not improve a country’s balance of payments significantly. SAPs are economic policies developed in the 1980s as part of international financial institutions (IFIs) assistance to highly-indebted countries which were asked *inter alia* to liberalize tariffs, open up their markets and increase taxes as a way forward (Brawley & Baerg, 2007). One can infer that the import-substitution policies embarked on by African states led them into a debt trap because they obtained loans in US dollars for their policies and when the US dollar appreciated the states could not repay their loans.

African states have had SAPs imposed upon them by IFIs in an effort to help them meet their debt obligations, and regrettably SAPs have failed to move the balance of payments of African states from negative to positive and where the SAPs have been hailed a success that success has been short-lived. Konadu-Agyemang (2000:469) agrees with this point when he states that African countries under the SAP programme may encounter extraordinary economic growth or they may encounter unbalanced development, low standard of living, poverty and inaccessibility to basic services.

Brawley and Baerg (2007:601) contend that the reasons for the failure of SAPs are because the economic models behind the programmes are premised on unrealistic assumptions about the micro-level process of trade adjustment and these micro-level dynamics have affected the domestic politics of SAPs.

Easterly (2003:362) and Imam (2007) claim that the left in the West blames SAPs for making the poor poorer. Easterly (2003:362) goes on to state that when the International Monetary Fund (IMF) and the World Bank arrive in developing countries, the bottom lines of corporations go up but the poor in those countries do not witness an improvement in their standard of living. It can be argued that these IFIs therefore protect only the interests of these corporations.

In Africa the SAPs can be blamed for reversing the economic progress African states witnessed in the 1960s and 1970s. Easterly (2003:363) points out that SAPs compel governments to reform the formal sectors of the economy, however indigenous reforms like what the Chinese embarked on reformed both the formal and informal sectors of the economy.

The seminal work of Baro and Lee (2005) on the SAP, based on the study of all 725 SAPs between 1970-2000 concluded that countries that went on the programme would have been better off had they not been involved in the programme. Radelet and Sachs (1998) concur with these findings.

Globalization, according to Akindele (1990) is the process in which political, economic, social and cultural ties between nations become stronger. Adejo (2003) has also described it as the incremental integration of national economies into the world economy through trade and investment, spurred by technological advances. The phenomenon can be traced back to the period after the Second World War, but close to the turn of the 21<sup>st</sup> century when the process was accelerated by technological advances and the liberalization of markets. On the liberalization of markets Cerry (1994) opines that this has furthered the phenomenon by increasing investment and interdependence among nations.

Globalization has seen mixed results in developing countries. It can be argued that it has made the economies of East Asian states grow rapidly, however not all developing countries have seen this growth. Charlick (2000) claims that for Africa, globalization has largely been a curse because it has not benefited the people of Africa, and some of the reasons Tandon (1998) advances for this state of affairs is that globalization wants to do away with all national barriers to free trade and international capital. Africa desperately needs to protect her markets and industries from foreign competition at this stage of her development as a matter of fact European states protected their markets and industries from one another before the advent of

globalization. A similar critical view is held by Oyejide (1998) who argues that African states have lost their economic sovereignty because of globalization. Khor (2000) also opines that national policies that were under the control of states and people in a country have come under the influence of international agencies.

Globalization, however has been hailed as a good development by IFIs and Multinational Corporations (MNCs) because they profit from the *laissez faire* economic system that is a hallmark of globalization. A similar critical view is put forward by Okogbule (2008) who argues that the World Bank is a culprit in this respect. The *laissez faire* economic system does not take into account the fact that African economies are monoculture economies which suffer from such systems. This has led to a clarion call for a new international economic order that does not marginalize the South.

As stated earlier the results of globalization are mixed. Ibrahim (2013:88) argues that information and communication technological advances which were necessitated because of globalization and in turn spurred the phenomenon, have made it easier for Africans to interact with one another and the outside world. The cellular phone has allowed African economies to leapfrog the development of and application of communications technology. Communication via cellular phones contribute to the GDP of Africa. Ibrahim (2013:89) further highlights the fact that one of the ways globalization has impacted positively on Africa is that it has made it easier for African people to see how people in other parts of the world are governed.

#### **2.1.4 China-Africa relations in the traditional discourse**

Obiorah (2007:35) reports that traditional Chinese engagement with the African continent started in the aftermath of the communist revolution of 1949 when the Chinese lent support to African liberation movements in their struggle against colonialism. Abdenur *et al.* (2014:306) mention Angola as one of countries that received help from the Chinese during their liberation struggle. China also supported Zimbabwe's African National Union-Patriotic Front (ZANU-PF) in the 1960s which laid the foundation for the current Sino-Zimbabwe ties (Chun, 2014:5). Shelton (2012:9) writes that in 1963 the African National Congress (ANC) president Oliver Tambo visited Beijing, however the Sino-Soviet split saw the Chinese Communist Party (CCP)

forging closer ties with the Pan African Congress (PAC). Lumumba-Kasongo (2011:242) is more specific when he states that this traditional China-Africa engagement was forged at the Bandung Conference in Indonesia in 1955. At the conference an affinity developed between both parties as both saw each other as belonging to the South with a common history of colonialism. Cao (2014:1) informs that the attendees at the conference were diverse in terms of their ideological commitments, forms of government and cultural backgrounds as participants originated from diverse places such as communist China, India, Saudi Arabia to colonial Africa. Cao (2014:3) further narrates that China, an invited attendee was one of the most important countries at the conference owing to its status as the attendee with the largest territory, population and economic potential, however she was viewed with suspicion because she was suspected of being a member of the Eastern bloc. Chinese delegation however sought to allay these fears as China desperately needed the goodwill of the attendees in an effort to find more allies because of her diplomatic isolation from the West. Building on the ties forged at Bandung, between 1963 and 1964 the Chinese leader Zhou Enlai, visited 10 African countries and announced China's "Eight Principles of Foreign Economic and Technological Assistance" which was to guide China's foreign policy towards Africa (Sun, 2014:4).

During that period the context of Sino-African engagement was different from the context it finds itself today. Suzuki (2013) agrees when he writes that China was not strong economically as it is today and so the engagement was more political than economic. Kanza (1975) contends that the country was involved in diplomatic feuds with the US and the Soviet Union and needed diplomatic support from the South. Khoo (2010:1) traces the origins of the Sino-Soviet split to the "secret speech" given by Nikita Khrushchev, the First Secretary of the Communist Party of the Soviet Union (CPSU) during the Twentieth Congress held in February 1956 which the Chinese Communist Party labelled a "serious error". China got diplomatic support from Africa by supporting African liberation movements whose countries in turn lent her political support upon gaining independence. An example of this is the crucial role African states played in getting China to replace Taiwan at the United Nations.

Ogunsanwo (cited by Suzuki, 2013:101) and Amanor (2013) agree that China embarked on aid projects which the two superpowers did not consider economically viable. This was done in an effort to undermine the two superpowers by presenting China as different from the two

since she was also a developing nation who appreciated the developmental needs of the African states. An example, of this is the Tazara railway project that linked Tanzania with Zambia which China embarked on despite the fact that China's citizenry also needed railway infrastructure. China's traditional engagement with Africa stopped in the 1980s because Beijing had to focus her attention on economic reforms and she did not have an appetite for grandiose foreign policy initiatives due to financial constraints (Suzuki, 2013) and Lumumba-Kasongo (2011).

## **2.1.5 China-Africa relations in the contemporary discourse**

### **2.1.5.1 China-Africa economic relations**

The year 2000 and beyond ushered in an era of increased economic engagement between China and Africa. Lumumba-Kasongo (2011:243) notes this when he writes that between 2001 and 2010, China has encroached upon quite a few sectors of the African economy. This encroachment is mainly into Africa's natural resources industry especially, the crude oil industry. Melber (2008:394) writes that in 2006, oil and gas made up 62% of Africa's exports to China while other minerals made up 13%. China is developing at a fast rate and she is poised to overtake the US as the world's number one economy in the not too distant future therefore her foreign policy decision-making process takes into cognizance the need to gain access to natural resources, especially, energy resources. Zweig and Jianhai (2005:26) have hence labelled her foreign policy a "resource-based" foreign policy.

China's economic engagement with Africa is informed by the spirit of south-south cooperation. There has been a longstanding southern activism in International Relations in which the countries of the South want their marginalization in the global political economy to end. The cords that bind the nations of the South are a shared history of colonization and common developmental needs. However, Landsberg (2010:7) contend that south-south solidarity or cooperation is too vague a term to define third world countries who have suffered colonization and are marginalized by the West. Cooperation between China and Africa can be seen in the form of capital flows and trade and this cooperation is threatening the historical ties between the West and Africa.

Cooperation between emerging economies like China and Africa is mainly in the economic sphere and while this has created diversified sources of aid and trade partners, Amanor (2013:20) highlights the fact that detractors of the West are quick to condemn such relationships, saying that China puts commercial concerns above good governance within the framework of market liberalization. Lumumba-Kasongo (2011) also notes this condemnation of the West when he writes that these countries have been experienced competition from China in Africa and media, scholars and civil societies have labelled the China-Africa economic engagement a new form of colonialism.

Trade between China and Africa is skewed in favour of China: Africa produces raw materials in exchange for manufactured goods from China. Melber (2008:394) contends that international trade patterns have not changed in spite of new actors. Nayyar (2008:17) affirms Melber's (2008:394) contention when he writes that Sino-Africa trade will not change the international division of labour; it will instead maintain the status quo that sees developing countries exporting only primary commodities. Melber (2008:394) further justifies this with statistics. In the year 2006, oil and gas comprised 62% of Africa's exports to China and minerals made up 13%, however Africa imported manufactured products and machinery from China which accounted for 71% of African imports. During the period 2011-2012 China's imports from Africa were mineral products 55%, base metals 4%, and precious stones and metals 3% (TRALAC). This picture affirms China's new status as an export-oriented industrial power assimilated into the global economic system. Southall and Melber (2009) have labelled China's encroachment into the continent a "new scramble" different from the old scramble for Africa.

In this new scramble for Africa, great powers are competing for Africa geopolitically and strategically. According to Gil (2014) and Schneidman (2015), Europe and the US have responded to successive FOCAC summits with summits of their own; FOCAC therefore is a geopolitical platform that enhances cooperation between China and Africa. Wekesa (2015:1) agrees that FOCAC has a strong element of international politics that bring Africa and China together and when both parties engage on the FOCAC platform, China, normally announces loan deals, infrastructure projects and writes off debts.

As highlighted earlier in this section, China's encroachment on Africa is driven by her need for Africa's natural resources and crude oil. This has spurred her to conduct robust trade with the African continent. According to Amanor (2013:25) in the period 2000 to 2008 China's trade with the continent increased by 33.5% and in the year 2009 China became Africa's largest trading partner surpassing the US.

The US and China are home to the world's largest and second largest economies respectively and there is considerable trade between the two countries. China has enjoyed a trade surplus with the US in recent times but in the post-recession US economy, policy makers have sought to stimulate the country's manufacturing base and this is forcing Beijing to diversify her trade partners and has found such partners in Africa (Amanor 2013:25).

China's development aid given to Africa is another way China engages with Africa economically. Brautigam (2009) states that Chinese aid to Africa is recognisable in five forms: grants and zero interest loans, concessional loans, export-buyers credit, loans at commercial rates and strategic lines of credit. One hallmark of Chinese aid is that it is not as prescriptive as western aid and this appeals to Africa's political elites. Alden, Large and Oliveira (2008:10) state that another hallmark of Chinese aid is that it is handed out on a stated basis of "equality and mutual benefit". Enehikhuere (2015:98) also contends that in disbursing foreign aid China places a high premium in bettering the standard of living of African people.

### **2.1.5.2 China-Africa political relations**

China needs good political relations with Africa in order to advance her economic agenda hence can after African states helped China replace Taiwan in the UN, political ties between China and Africa has been steadily forged by both parties. In the aftermath of the Tiananmen Square massacre of 1989, African states gave political support to an internationally isolated Beijing. In the spirit of South-South cooperation, China is casting herself as a voice for the global South. This role fits China as she has the world's second largest economy and is also a member of the United Nations Security Council (UNSC).

Africa is strategically important when it comes to China's rivalry with Japan and the issue of Taiwan. China has repeatedly lobbied African states successfully and garnered their votes in

opposing Japan's UNSC ambitions (Alden, Large and Oliveira 2008:5). On the issue of Taiwan, a lot of African states have severed relations with the former on China's insistence. As a matter of fact, China's "no-strings attached" policy and aid has one caveat: the cessation of diplomatic ties with Taiwan and an endorsement of her One-China policy. Beijing's One-China policy has been a success in Africa with only a handful of African states still maintaining diplomatic ties with Taipei. Beijing's policy seeks to totally isolate Taipei on the African continent and to further this objective China has gone as far as courting the handful of Taiwan-recognising African states by inviting them to FOCAC 3 (Alden, Large and Oliveira 2008:5).

China is also busy subverting the global political-economic order established by the US called the 'Washington Consensus' and replacing it with what has been labelled the 'Beijing Consensus'. The Beijing Consensus is based on the assumption that China can provide an alternative economic model for advancement for developing countries (Turin, 2010). This argument appeals to African leaders and increases China's soft power on the African continent. Soft power plays an important role in the political aspect of bilateral relations because it is the ability to get another actor to bend to your will without the instrument of coercion or monetary inducements. Nye (2009) states that soft power is the ability to obtain preferred outcomes through attraction.

The historical fact that China did not embark on any colonial project on the African continent gives her an element of credibility in the eyes of African leaders when she claims that she is an honest partner for a "win-win" cooperation. This credibility attracts African leaders to China and it is the soft power used by the country. A lot of African leaders are adopting a "look east" policy and forging closer ties which China at the expense of the west. Li and Worm (2010) note that the soft power concept recently entered into the official People's Republic of China (PRC) discourse.

Kurlantzick (2007) explains that soft power can be "high", aimed at political elites and "low", aimed at the general public. Apart from China's appeal to Africa's leadership, China is working hard to promote her culture on the African continent and give ordinary Africans a better understanding of China via beaming her satellite channel China Central Television (CCTV) to homes on the continent which is an example "low" soft power.

## **2.1.6 China-South Africa relations**

### **2.1.6.1 South Africa's foreign policy towards China**

South Africa's foreign policy changed course after the demise of apartheid. During the apartheid era, South Africa was labelled a 'pariah state' which did not enjoy good relations with African states because of her racist policies and minority rule and she certainly did not have good relations with China because of the material and ideological support China lent to liberation movements on the continent.

In the aftermath of apartheid, South Africa has forged ties with African countries and other developing countries who supported the liberation struggle against apartheid. Relations with China has come to occupy an important place in South Africa's foreign policy. This development has been attributed to the increasingly important role China is playing in Africa. Sun (2014:1) writes that China's encroachment has seen China become a source of aid for Africa, and Beijing has also funded infrastructure projects on the continent. The relationship can be labelled as a mutually beneficial one because Africa, in turn, has become a source of raw materials for Chinese industries.

Park and Alden (2013:645) point out that South Africa and China established diplomatic relations in 1998 when she severed ties with Taiwan in favour of ties with China. It was a pragmatic decision on the part of the Mandela presidency largely based on economic considerations in foreign policy, which is termed 'economic diplomacy'. Vickers (2012:112) defines economic diplomacy in the South African context as the 'ways and means' that Pretoria negotiates South Africa's place in the global economy at three levels, namely, the bilateral, regional and the multilateral.

Concerning South Africa's relations with other countries, the executive branch of government plays a principal role which is the norm in international relations. Since 1994 President Mandela and Mbeki have occupied principal positions in South Africa's foreign policy decision-making process. Masters (2012) argues that during the Mandela administration the nation's foreign policy trailed the President's public statements instead of the other way round and the Mbeki administration saw the President playing a very overt role in the nation's foreign policy decision-making process which caused observers to label his administration an

“imperial presidency”. However, the Zuma administration has witnessed the President playing a low-key role in the foreign policy machinery and it can be argued that this is belying although President Zuma’s presidency has seen the forging of ties with South Africa’s BRICS partners. There are enabling frameworks which support a principal role for the President in the foreign policy decision-making process; these include the nation’s constitution, the competency of nation’s foreign policy bureaucracy, as well as broader international dynamics.

Masters (2012) informs that in the South African context, multiple stakeholders influence the nation’s foreign policy decision-making process. The stakeholders include the ANC, the foreign policy bureaucracy, the Department of Defence (DoD), the Department of Trade and Industry (DTI), Parliament and Non-governmental Organizations (NGOs).

As highlighted earlier in this section, economic considerations guided South Africa under the Mandela Presidency to forge ties with China at the expense of Taiwan. Vickers’ work of 2012 stands as a defining text on South Africa’s economic diplomacy when he writes that economic diplomacy has definite political economy objectives like augmenting the country’s relative power or clout in international bargains, augmenting the country’s competitive advantage and employing political tools to achieve economic ends and vice versa. South Africa’s national challenges guide her economic diplomacy and Landsberg (2010) identifies the country’s national challenges as twofold: firstly, there is the need to entrench South Africa’s nascent democracy and secondly there is the need to improve human security and development. The country’s draft White Paper on Foreign Policy and the Diplomacy of Ubuntu demonstrates the importance of economic diplomacy when they state that the success of economic diplomacy will decide the extent to which the country can address its domestic priorities (Department of International Relations and Cooperation).

Apart from the economic considerations which spurred Pretoria to forge ties with Beijing, there are other considerations that steer Pretoria’s foreign policy towards Beijing. One of the considerations is the sense of South-South solidarity. Both countries see themselves as developing countries who have suffered under the yoke of colonialism and who seek to challenge what they see as a western-dominated hegemony of the global economic order labelled the Washington Consensus (Anthony, Tembe and Gull, 2015). Another consideration is the fact that both countries belong to the BRICS grouping. These countries are the leading

emerging economies of the 21<sup>st</sup> century and they have some of the fastest growing economies in the world.

Thus Pretoria calculated that forging ties with Beijing is on the same level of importance as her ties with her traditional Western partners. This led to high level agreements between both parties in the form of the Bi-national commission, the Strategic Partnership and the Comprehensive Strategic Partnership (Anthony, Tembe and Gull, 2015:10). The close relationship Pretoria enjoys with Beijing worked in South Africa's favour when China lobbied for South Africa to join the BRICS grouping. FOCAC is another channel used by Pretoria to forge a strategic partnership with Beijing. One cannot deny that one major benefit South Africa has gained from forging closer ties with China is access to the China's huge market for South African goods.

Critics of the relationship have argued that China's questionable human rights record, the oppression of her Tibetan minority, her authoritarian form of government and her support for repressive regimes on the African continent should be considered by Pretoria in her foreign policy towards Beijing. Obiorah (2007) contends that although African governments are receptive to China's encroachment on Africa, human rights groups and political pundits warn that China's support of repressive regimes from Zimbabwe to Sudan, in the form of conducting trade and arms sales, will only make such regimes more repressive and make them ignore international condemnations and sanctions.

#### **2.1.6.2 China's foreign policy towards South Africa**

Sun (2014) suggest that China's national interests in Africa covers the political, security, economic and ideological dimensions and he dismisses pundits who argue that China is in Africa solely for her natural resources. There is some credence in the notion that China's national interests in Africa also cover the political dimension when history shows that during the liberation struggle China assisted independence movements on the continent, for example China gave material and ideological support to the PAC. In modern times China has relied on African, and by extension South Africa's political support in arenas like the United Nations and in return China has given diplomatic support to some pariah regimes on the African

continent like Zimbabwe and Sudan. Africa has also become very instrumental in Beijing's One-China policy.

Sun (2014) also contends that even politically, Africa is of low priority on Beijing's foreign policy agenda. Africa does not have big powers that challenge China's rise and the continent does not have the territorial disputes on the continent like the disputes China has with her neighbours in the South China Sea. It is plausible to say that Africa is a stepping stone for China's march to greatness.

It can be ruled that the economic dimension of China's foreign policy on the continent takes precedence over all the other dimensions. Africa is a continent rich in natural resources which China needs for her economic growth as well as being a huge market for Chinese exports. However Sun (2014) argues that although much focus is placed on the economic dimension of Beijing's foreign policy towards Africa, in reality Africa accounts for only a tiny fraction of China's foreign trade and investment. This is true when compared to China's trade and investment with the rest of the world but the reality is that Africa is incrementally becoming significant to China.

In the Chinese foreign policy decision-making process, the supreme decision-making authority is the Politburo Standing Committee (PBSC) (Sun, 2013). Inside this bureaucratic arrangement, Beijing's foreign policy-making occurs at different levels depending on the import of the matter at hand: the more pressing the issue, the higher the decision-making authority (Sun, 2014:17).

Sun (2014:18) further informs that line agencies like the Ministry of Commerce and the People's Liberation Army give regular briefings on their work and think tanks also provide information to the Ministry of Foreign Affairs

It is within this decision-making process that China's foreign policy towards South Africa is articulated. Diplomatic ties were established in 1998 and this changed the course of the country's foreign ties: South Africa has gradually reoriented her diplomacy away from her traditional ties with the West (Park and Alden, 2013:645). South Africa is very important to China in her Africa strategy, for a host of reasons. Firstly she is home to the continent's most advanced economy; boasting a well-developed infrastructure, a world class financial services

industry and a rising middle class, just to highlight a few. Secondly the country also has abundant mineral resources which China needs for development. Wasserman (2012:33) notes that South Africa, along with Angola are seen by China as resource-rich countries. South Africa is a global leader in diamonds, and precious minerals such as gold, platinum and chromium and she is the world's sixth largest coal producer. Zweig and Jianhai (2005) believe that China's need for natural resources drives much of her foreign policy agenda and they have labelled this a "resource-based foreign policy." Thirdly, South Africa is a regional power on the African continent with a leadership role. The country has a lot of clout over countries on the continent and for China to forge ties with these she must develop good ties with South Africa. The fact that China was instrumental in South Africa's admission into the BRICS organization shows how China regards her relationship with South Africa (Park and Alden, 2013:645). South Africa has rewarded China by standing with China on issues like Darfur, Myanmar and Tibet at the UNSC. It can be posited that China wields a lot of clout over South Africa because of her growing importance in the global arena. Wasserman (2012) adds that South Africa has joined China in calling for a reform of international institutions which the two countries perceive as marginalizing the South.

Like South Africa, economic diplomacy is an integral part of China's foreign policy. Yaqin (2008:44) suggests that China's economic diplomacy has the role of slowly integrating China into the global economic system while at the same time guarding her economic security from outsiders, mainly, Western interference. China's astounding economic growth since the 1970s has given legitimacy to her reform-oriented governments. Yaqin (2008:44) continues that China's economic diplomacy involves the promotion of relations with other countries, accumulation of foreign capital, creation of FTAs and providing incentives for Chinese enterprises so they do business beyond China's shores.

As noted earlier, South Africa is very important to China's Africa strategy primarily because of her economic might on the continent. Trade between the two nations has risen from \$800 million in 1998 to \$20.2 billion in 2011 and China became South Africa's largest trading partner in 2009 (Park and Alden, 2013:647). While South Africa mainly exports mineral resources like iron ore, steel and aluminium, her imports from China are high-end goods comprising of light electronics, textiles and capital equipment.

This economic relationship between the two parties is mutually beneficial but the cheap goods flooding the South African market from China has led to opposition from South African trade unions who contend that South African goods cannot compete with Chinese goods.

## **2.7 Theoretical framework**

There are several theories which can explain China-South Africa relations. Theories like functionalism, realism and game theory can help us to understand the bilateral relationship between the two countries. However for this study I will borrow insights from the interdependence theory.

The work by Keohane and Nye (1989) is seminal to our understanding of the theory of interdependence. The authors state that we live in a world of interdependence and this has altered our concept of power which is central to the realism theory. They define interdependence to mean mutual dependence among nations and the theory in international relations domain refers to circumstances characterized by reciprocal effects among states. Genest (2004:140) remarks that interdependence as a theory assumes that states are not the only chief actors, he argues that issues like social welfare are also on the agenda together with security matters and that cooperation is a hallmark of international politics.

Milner and Moravcsik (2009) credit Keohane's theory for being responsible for shifting traditional realism to interdependence which has resulted in focus from international security to international political economy, states, to transnational actors and international conflict to international cooperation.

Bhatty (cited by Rana, 2015:290) indicates that the post-Cold War world has undergone an evolution which has seen the political agenda of military and national security being replaced by actor's desire for an enduring and peaceful world order that enables economic development. While stressing on the importance of international organizations and multinational corporations, the theory of interdependence predicted the phenomenon that has come to be known as 'globalization'. In the current global order the very character of international relations has changed and actors have become increasingly interdependent on one another,

especially in the area of economics. Keohane and Nye (2000) remark that what is called globalization and interdependence share the same characteristics.

In the current interdependent global order, actors cooperate and compete simultaneously and the actions and policies of one actor has a bearing on the actions and policies of another. Rana (2015:291) explains interdependence as a theory that highlights the intricate ways in which because of growing ties, actors become mutually dependent and exposed to each other's actions.

It can be argued that China and South Africa have an interdependent relationship. Both countries belong to the BRICS grouping which has facilitated increasing political and economic ties between the two countries. Wasserman (2012:33) remarks that ties between South Africa and China as emerging powers in the current global geopolitical order were formalised when South Africa was invited to join the BRICS organization through active lobbying by China. Although the relationship between both countries is mutually beneficial, there are points of contention like the dumping of cheap Chinese goods on the South African market which affects South African manufacturers and worsens the unemployment problem in the country. This is the reason Keohane and Nye (1989) in explaining interdependence as mutually beneficial, warned that it can also have negative consequences.

State visits are frequent between the two countries and there are formal and informal ties between government elites of both countries that involve formal foreign office arrangements, a feature of interdependence (Keohane and Nye, 1989). South Africa and china established diplomatic ties in 1998 and opened embassies in each other's capital in that same year (Alden and Wu, 2014:7).

Dervis (2012) writes about economic interdependence, and it is fair to state that the economies of South Africa and China are extensively interdependent. Grimm *et al.* (2014:13) identify economic cooperation as the driving force of South Africa-China ties, and in the aftermath of the establishment of diplomatic ties in 1998, there has even been economic cooperation on the local government level with Beijing and Gauteng, Shandong and the Western Cape becoming economically interdependent.

Shinn and Eisenman (2012:345) explain that South Africa-China bilateral trade started in 1992 when China's Ministry of Foreign Trade and Economic Cooperation set up an office in Johannesburg, and during that period the trade volume was around \$250 million. In 2011 the trade volume was US \$11 billion (Grimm *et al.* 2014:17). South Africa is China's most important trading partner on the African continent with trade between the two nations accounting for 20% of China's trade with Africa (Shinn and Eisenman, 2012:349-350).

South Africa's natural resources, size of her domestic market and her political stability are appealing to Chinese investors as they see South Africa as a launchpad into the African continent. However the nature of the relationship is asymmetrical, with South Africa importing high-end goods and exporting raw materials.

Keohane and Nye (1989) caution that asymmetrical interdependence can translate into power as the less dependent partner in a relationship often has more political clout. The authors state that to appreciate the role of power in a relationship one must look at two dimensions which they label as 'sensitivity' and 'vulnerability'. Sensitivity involves the measure of responsiveness within a policy framework (Keohane and Nye, 1989:12). This is how fast change in one country impacts another country. In this case it can be argued that the South African economy is sensitive to the fall of commodity prices in China. Vulnerability on the other hand enables an understanding of the political aspects of interdependent relationships (Keohane and Nye, 1989:15). It is applicable to socio-political as well as the politico-economic relationships. It can be said that South Africa was vulnerable to domestic protests over the Chinese dumping cheap textiles on the South African market.

## **2.8 Conclusion**

This chapter has reviewed existing literature on the theme of the study. It examined the rise of China, some reasons for Africa's economic underdevelopment, China-Africa relations, China-South Africa relations and the theoretical framework. The chapter that follows focuses on Sino-Africa relations.

## CHAPTER THREE

### 3. Background to Sino-Africa relations

#### 3.1 Introduction

This chapter is an exposition on Sino-Africa relations. It draws on published material on the subject as well as the researcher's own deductions. The chapter commences with a discussion of the historical ties between China and Africa which has a bearing on current China-Africa ties. Thereafter there is a discussion of modern Sino-Africa engagement which will analyse the political ties and the economic ties in the form of trade and aid. The BRICS organization and its ties with Africa will be discussed as well as OBOR.

#### 3.2 History of Sino-Africa relations

Obiorah (2007:35) informs that traditional Sino-Africa ties were forged after the communist revolution of 1949. China started a policy of supporting liberation movements in the developing world against colonialism. During that period the focus of the engagement was more political than economic owing to the fact that China was not as economically strong as she is at presently. Even with a weaker economy, Amanor (2013:25) informs that China's economic cooperation with the African continent started in the 1960s.

Countries such as Angola got support in their liberation struggle against the Portuguese (Abdenur et al. 2014:306). South African liberation movements in the form of the ANC and the PAC also got material support from the Chinese in their liberation fight (Shelton, 2012:9). According to Kanza (1975) during the period China, a fellow communist state was a rival of the Soviet Union and she just like the Soviet Union was seeking allies in Africa; China was seeking allies for an interdependent relationship. Khoo (2010:1) informs that the rivalry between China and the Soviet Union began when Nikita Khrushchev of the CPSU gave a "secret speech" in 1956 which did not go down well with the Chinese who labelled it a "serious error".

Chinese rivalry was not confined to just the Soviet Union, she was also a rival of the US. The Marshall Plan created to help Europe recover from the Second World War was planned solely for the states of Western Europe and this made the newly-independent African states feel a

sense of exclusion. This gave reason for some African states to ally themselves to Beijing instead of Washington or Moscow.

As stated earlier China supported liberation movements in South Africa and Angola although these are not the only countries that got Chinese support during their liberation struggle. One country that got Chinese help and still gets Chinese support because of international isolation is Zimbabwe. China assisted Zimbabwe's liberation fight against colonialism by supporting ZANU-PF with arms in the 1960s (Chun, 2014:5). ZANU-PF was born in 1963 to rival the Zimbabwe African People's Union (ZAPU) which was aided by the Soviet Union.

ZANU-PF initially requested support from the Soviet Union, but when the Soviet Union refused to assist, ZANU-PF turned to China for help which was forthcoming and she also helped train guerrillas from ZANU-PF's military arm, the Zimbabwe African Liberation Army (ZANLA) (Martha & Johnson, 1982). It was under Chinese tutelage that ZANLA's military strategy morphed from conventional military tactics into the Marxist copy which could mobilize the masses (Lan, 1985).

In neighbouring Mozambique, both China and the Soviet Union supported the Liberation Front of Mozambique (FRELIMO) in a tug of war for influence which China won hence she forged diplomatic ties with Mozambique right after independence and the latter became one of the biggest recipients of Chinese aid. Hammond (2012:1) explains that China gave the country an interest-free loan to the tune of \$56 million and dispatched a medical team there commencing a tradition of medical diplomacy which continues to this day. The Chinese claim that since the commencement of the medical diplomacy, in excess of 1.3 million Mozambicans have been treated.

The Mozambican civil war and President Machel's ties to the Soviet Union dented diplomatic ties in 1983 but after the flood and famine of that year, China gave Mozambique \$20 million in economic aid (Hammond, 2012:2). This paid off for the Chinese when in 1989 Maputo provided diplomatic cover for Beijing by not criticizing the country in the aftermath of the Tiananmen Square crises (Shinn, 2012:2). This was done in the spirit of interdependence.

One of the landmark projects undertaken by China during this time was her commitment to build a railway line between Tanzania and Zambia. Eureka and Ifeoma (2013:34) point out that

appeals to the West for the project were ignored but China agreed to finance the project. It is worth highlighting that the railway project was the single most important project undertaken by China at the time. The next section of this chapter focuses on China's political engagement with the Africa.

### **3.3 China's political engagement with Africa**

China's economic interests on the continent currently have relegated her political interests. This is not to make light of her political interests on the continent as she needs to forge political relations in order to have an economic stake in the continent. Beijing has embarked on a diplomatic 'charm offensive' to Africa, courting and seducing African leaders with loans, development assistance and infrastructure projects with two ends in mind: gaining the political allegiance of the continental bloc and having access to Africa's resources. China even went as far as to construct a \$200 million headquarters for the African Union (AU) in 2011 (Ighobor 2013:6). This gift to the continent gives China diplomatic leverage over Africa and the continental bloc is likely to give Beijing diplomatic cover which translate into an interdependent relationship. Political allegiance or diplomatic cover goes both ways: the Chinese are assured of the diplomatic support of the continental bloc in forums like the UN General Assembly and in return the Chinese provide diplomatic cover in the UNSC when it comes to dealing with pariah states on the continent.

China is an emerging leader of the South and Africa is cooperating with Beijing in addressing global imbalances. The current developmental dilemma faced by African states are- how to choose a development path tailored to the needs of the continent, how to attain political and social stability on the continent and how to use the continent's natural resources wisely so as to enable Africans to engage in international competition and cooperation. African leaders look to China for inspiration and leadership in these respects because they see in China what they aspire to become- a developing country that chose her own economic model, which has borne fruits and seen her rise, economically, to challenge the West.

Beijing says that protecting the interests of developing countries is a core part of her foreign policy and this strikes a chord with African leaders. Jimin (2014:2) states that in 2013 President

Xi Jinping spoke at a breakfast meeting with African leaders, assuring them of Beijing's unwavering support for peace on the African continent. This assurance has given China a lot of political clout on the African continent.

### **3.4 High level diplomatic exchanges between Chinese and African leaders**

China has been working hard to forge diplomatic relations with the continent and it can be argued that since the beginning of the 21<sup>st</sup> century, China has embarked on a diplomatic charm offensive not just toward the continent but globally by assuring countries that her intentions are pacific.

The year 2006 was seen as a watershed year in Sino-Africa relations. Alden *et al.* (2008:1) label that year China's 'Year of Africa' because relations took on an unusual prominence because in January of that year, the Chinese Foreign Minister toured Liberia, Mali, Senegal, Libya, Cape Verde and Nigeria and in April the then President Hu Jintao paid state visits to Nigeria, Morocco and Kenya. These visits reinforced the strategic importance China placed on Africa and her quest for an interdependent relationship with Africa.

According to Alden *et al.* (2008:1) in November 2006, China hosted the third Forum on China-Africa Cooperation FOCAC which set the tone for a new era in Sino-Africa relations. FOCAC was established as a framework to smoothen Sino-Africa cooperation in the fields of aid, FDI, investment, culture and international relations. FOCAC was formally founded in the year 2000 in Beijing under the joint initiative of China and Africa with the aim of further strengthening relations between Africa and China under new global conditions and collectively facing the challenges of globalization as both parties seek common development. The objectives of FOCAC are 'equal consultation, enhancing understanding, expanding consensus, strengthening friendship and promoting cooperation' (Ministry of Foreign Affairs, Peoples Republic of China). The FOCAC platform enhances the interdependent ties between both parties.

Other powers are jostling for influence in Africa and are determined to forge strategic partnerships with the continent. For example, in 2015 India hosted the third India-Africa Forum summit and African leaders marketed their countries as favourable FDI destinations and asked

India for a 'Make in Africa' programme to emulate India's 'Make in India' programme (The New Indian Express 2015:1). Kala (2015:1) states that the 'Make in India' programme is the brainchild of incumbent Indian Prime Minister Modi which was launched in 2014 to make Asia's third-largest economy rival China's economy. In the programme's short existence, some major successes have been chalked: India has seen FDI rise 40% and industrial production has risen. In 2013 Washington also hosted a historic three-day US-Africa leader's summit to 'strengthen ties between United States and one of the world's most dynamic regions' (The White House, U.S Government).

Alden (2008:2) remarks that during the 2006 meeting, the Chinese capital was adorned with pictures from Africa and posters hailing 'Friendship, Peace, Cooperation and Development' (*youyi,heping,hezuo,fazhan*). It can be argued that the West paid attention to FOCAC because of the grandness of the whole affair; Chinese leaders met statesmen from 48 African states. FOCAC is the main vehicle driving Sino-Africa bilateral relations and at these gatherings issues of aid, trade and investment are discussed.

FOCAC has chalked a number of successes in strengthening cooperation between both parties. Adeola (2004) records that one significant success story of FOCAC is the easing of the debt burden of some 31 African countries which went a long way to improving the socio-economic development of the respective economies. Also through FOCAC, Sino-African trade has hiked significantly and there has been collaboration in the fields of science and technology.

One can infer that FOCAC presents China with a stage to increase her influence in African states as she pursues her national interests. This was seen when China invited Taiwan-recognising African states to FOCAC 3 in an attempt to roll back Taipei's political gains and advance Beijing's 'One-China' policy (Alden *et al.*, 2008:5).

Beijing also uses the Forum to advertise her development model and to coax African states to adopt it. This is a matter of convenience because it reduces Beijing's aid handouts and this approach dovetails with the New Partnership for Africa's Development (NEPAD) objective of African states taking full responsibility for their development agenda. One should not be fooled into thinking Beijing will throw her full weight behind NEPAD because the principles of NEPAD are at odds with China's values: principles like democracy, a free press and the rule of law.

It can now be accepted that FOCAC gives Beijing a leadership status in the Global South. Liu (2001) highlights the fact that FOCAC's documents condemn global inequality and unfairness and the ways globalisation has been unfair to the Global South. By tapping into this sense of unfairness that the countries of the Global South feel and coupled with the fact that China has assumed the role of being a voice for the South, she automatically claims leadership.

Apart from meeting African leaders collectively in forums like FOCAC, China forges bilateral ties with individual states on the continent. In 2014 China's Premier Li Keqiang paid state visits to Ethiopia, Kenya, Nigeria and Angola while touring the African Union Building (financed with Chinese capital) and attending the World Economic Forum on Africa (Jimin 2014:1). Every Chinese head of state and head of government has toured the continent since coming to power and these visits highlight the significance China places on Africa.

### **3.5 FOCAC 6**

Johannesburg hosted the FOCAC 6 Summit from the 4-5 December 2015 under the theme: "Africa-China Progressing Together: Win-Win Cooperation for Common Development." The contemporary challenge for the Forum on China-Africa Cooperation was to build a sustainable, long term relationship which will reap tangible quantifiable benefits for both parties and is truly interdependent. The FOCAC framework had propelled economic growth on the continent but there is a pressing need for more synergy with Africa's development programme especially the AU's agenda 2063. Shelton (2015) states that the FOCAC framework provides a unique diplomatic avenue to encourage dialogue between China and Africa while simultaneously facilitating an acceptable political and economic process advancing South-South cooperation. Summit diplomacy is a tool of Chinese foreign policy to build 'strategic partnerships' in the Global South.

Magome (2015:4) reports that when President Zuma opened the summit he delivered a poetic phrase that should show how African nations could benefit from the \$60 billion that China gave to Africa during the summit. Zuma emphasized that African leaders wanted to prioritise beneficiation and value-addition to commodities so that commodities can fetch more money

on the international market. At the summit there was a consensus that extracting minerals and shipping them in their raw state was unsustainable.

This \$60 billion doled out by Beijing is very substantial because on the average each country received over \$1 billion. Policymakers in Africa have to use the money wisely by building factories and investing in research and development so that value will be added to commodities destined for export.

Recently, countries like South Africa which have traditionally been exporters of raw materials have seen demand for commodities drop and GDP shrink and this led to Trade Minister Rob Davies bemoaning the sad reality that demand for commodities have fallen and this had led emerging economies with no choice, but to diversify (Magome, 2015:4).

Naturally, African leaders have applauded the \$60 billion aid from China which came with 'no strings attached'. Prominent leaders on the continent, like President Mugabe of Zimbabwe and his Kenyan counterpart President Kenyatta told the Chinese media that Africa welcomed the aid given by China. Not surprising the Zimbabwean leader seized the opportunity to remind the Chinese media of the suffering Africans had endured because of colonialism and he thanked China for embarking on policy of technological transfer and providing funds that will hasten Africa's development (Thakali, 2015:4). It can be argued, that previous aid given to the continent was not structured in such a way as to develop the continent and African leaders were serving the interests of their Western masters, in relation to the aid.

Ibrahim (2015:2) contends that with the rise of China as an economic power, countries on the African continent have come to see her as an alternative to the West and a new ally in political, economic and socio-cultural relations, in the current global order. Currently it is safe to argue that the Chinese position in relation to global politics is generally pacific in nature, hinging on the principle of non-interference in the affairs of other states, hence a respect for the sovereignty of other states and the resolution of conflicts in a pacific manner.

FOCAC 6 was not all about signing economic deals and power politics. According to Mawire (2015:16) the China-Africa Advisory Group Dialogue held at the iconic Kruger National Park was aimed at putting the spotlight on Africa's natural resources by looking for ways for China and Africa to work together on conservation so that development will be sustainable. Delegates

included public and private sector leaders from China and the continent as well as conservationists.

In the current global order, China also needs Africa and she is employing a multi-pronged approach in an effort to become more powerful globally. Africa's infrastructure projects are needed by Chinese multinationals who are rapidly spreading their tentacles globally. This speaks of an interdependent relationship. Through FOCAC 6, leaders of both Africa and China can further develop the friendship through frank discussions on this mutually beneficial relationship. Just like Bandung in the last century, China must employ its economic muscle and Africa, her voice, in the quest for a more equitable world.

### **3.6 Economic engagement with Africa**

Power and Mohan (2010:463) remark that China's economic development has necessitated a concerted economic internationalisation and this has altered the foreign policy discourse that draws Beijing closer to other countries. The year 2000 and beyond has ushered in an era of increased economic engagement between China and Africa. One can credit this to factors like Africa's geopolitical and macroeconomic environment aligning with China's national interests, a classic case of interdependence.

China is a global economic superpower- it is the world's 'factory' producing cheap 'Made in China' goods for the global market. Bergsten *et al.* (2008:10) remark that she has the world's biggest current account surplus and foreign exchange reserves. Her growth has averaged 10% over the last 3 decades and her GDP in 2006 was 13 times the level it was in 1978 when Deng Xiaoping embarked on economic reforms (Bergsten *et al.* 2008: 11).

The World Bank-imposed SAP may have inadvertently created a macroeconomic environment on the African continent which encourages Beijing to engage economically with the continent. It should be stressed that not all World Bank prescriptions have benefitted African economies, for example, policy prescriptions termed the Washington Consensus have had mixed results. Even among developed economies, some economies have suffered currency crises, stagnation and recession culminating in the Great Recession of 2008 (Turin 2010:1). Of late a new blueprint for economic development has emerged, known as the Beijing Consensus which is

far removed from the Washington Consensus. Rather than dictating what the economies of the South ought to do, the Beijing Consensus is realistic as it takes cognizance of the need for flexibility in finding solutions to economic problems.

The Beijing Consensus appeals to African leaders and policy makers and it is forcing a reassessment of the Washington Consensus. Ramo (2004:5) states that “China is writing its own book now. The book represents a fusion of Chinese thinking with lessons learned from the failure of the globalization culture in other places. The rest of the world has begun to study this book.” A lot of the criticism of the Washington Consensus can be laid on the adoption of the prescriptions of the World Bank and the IMF. These prescriptions are partly to blame for the underdevelopment of the countries of the South.

Africa have been doing well economically in recent times, largely due to demand for commodities from China, and Beijing has taken full advantage of this favourable economic climate by investing in extractive industries on the continent and exporting her products to African markets as she sought new outlets for her products. Chinese products can be seen in markets from Cairo to Cape Town and her products include textiles, electronics, jewellery, and ore basic items like matches, tea bags and clothes. African importers find Chinese manufactures affordable because of the low value of the renminbi compared to other major currencies, likewise they are popular with African consumers because of affordability.

China’s core interests in Africa are accessibility to raw materials like agricultural products, minerals and oil. Shinn (2011:1) remarks that China imports a third of her oil needs from Africa, 90% of her cobalt needs, 35% of her manganese needs, 30% of her tantalum needs and 5% of her hardwood needs all from Africa. China has an interest in marketing goods in Africa since the continent is an increasingly attractive destination for Chinese goods because of the rising African middle class with disposable income.

### **3.7 Sino-Africa trade**

Sino-African trade began to accelerate in 2000 when the value of trade stood at \$10.5 billion, thereafter the value skyrocketed to US\$29.5 billion in 2004, approximately US\$40 billion in 2005, US\$55.5 billion in 2006 and US\$73 billion in 2007 (Africa-Asia Confidential 2008:1).

Trade between Africa and China is dwarfing trade between Africa and other regions. Goldstein *et al.* (2006:45) confirm this when they state that China's portion of African exports rose from 1.3% in 1995 to 9.3% in 2004. These figures are associated with a significant shift and dent in African exports to Organisation for Economic Cooperation and Development (OECD) countries between 1995 and 2004. Shinn (2011:3) states that in 2009 China surpassed the U.S to become Africa's largest trading partner but it is important to put this figure in context- trade with Africa constituted just 4% of China's global trade.

One cannot deny that China is a key destination for African commodity producers like Nigeria, Angola, Zambia, Sudan and Congo. Broadman (2007:12) contends that resource-rich states account for 85% of Africa's export to China. China is in dire need of resources, Manji & Marks (2007:17) state that there were 158 minerals with identified reserves in China in 2004, however these resources are insufficient to meet China's industrial demand. Almost all of the exports from the Africa to China consist of primary commodities which do not have so much value on the Chinese market. It is imperative therefore for African nations to process these commodities in a semi-finished or finished state so as to fetch more money on the Chinese market.

Sino-Africa trade should be looked at in the global context so that its impact on the African economy can be appreciated. Global economic growth can be attributed to the growing demand for manufactured commodities from China. This has, until recently, inadvertently led to the high growth rates among resource-rich countries on the continent. Sino-Africa trade however reinforces established trade patterns between Africa and the rest of the world: Africa is a net exporter of primary commodities and a net importer of finished goods.

While China's trade statistics are generally available, it is not easy to come by FDI statistics; Shinn (2011:3) contends that Western definition of FDI differs from the Chinese context. In 2010, China's State Council produced a white paper that concluded that China's FDI on the continent reached a cumulative \$9.33 billion by the close of 2009, however amazingly the same paper noted that cumulative FDI in China by the close of 2009 from the continent was \$9.93 billion, that is, greater than China's investment in Africa.

A disproportionate part of China's investment on the continent has gone to South Africa, Nigeria and Egypt which are regional powers and traditionally the FDI flows have gone into

their extractive industries. In recent years however there has been a shift to business services, finance and telecommunications.

### **3.8 Aid**

In this research, the term ‘aid’ is synonymous with Official Development Assistance (ODA) which was defined in 1972 by members of the Development Assistance Committee (DAC) to be “concessional funding given to developing countries (those with a per capita income below a regularly adjusted threshold) and to multilateral institutions primarily for the purpose of promoting welfare and economic development in the recipient country” (OECD, 2008).

China’s role as a donor in Africa has perturbed Europe and the US. They see China as a challenger unfettered by the kind of social, governance standards and environmental standards expected from Western donors. Philips (2006) agrees with this assertion when he states that Chinese aid is viewed with scepticism and worry in the West because the Chinese are viewed as ‘rogue donors’.

China employs three instruments in disbursing aid: grants, zero-interest loans, and concessional loans. One hallmark of Chinese aid is its non-prescriptiveness compared to Western aid; Chinese aid does not demand democratic reforms or a good human rights track record; this appeals to African leaders.

Chinese aid is not altruistic, because usually aid is a political instrument of foreign policy and it supports the national interest of the donor. As an instrument of foreign policy, aid plays an important role in garnering support for Beijing’s ‘One-China’ policy. Aid also makes economic transactions like investments, exports and construction contracts easier. Although Chinese aid is different from Western aid there are some similarities in the sense that Beijing will not hesitate to withhold aid if it does not enhance her national interest or as a punitive measure if China does not get her way. Ghana experienced this first hand when the Chinese government turned its back on Ghana by declining a loan request to fund three road projects. The excuse Beijing gave was that she could not approve a concessional loan facility that would not reap good financial returns. However critics in the Ghanaian government said the real reason the

loan was not approved was because China was punishing Ghana for terminating a contract with China's Star Times for Ghana's digital migration policy (Daily Guide, 2015:2).

There is also one burning issue that is testing Sino-Ghana relations: the issue of illegal Chinese miners. Small-scale mining, known as *galamsey* is allowed in Ghana and it has been codified and is the preserve of Ghanaians. Kunateh (2015:4) reports that some Chinese miners in the country have been mining gold in isolated parts of the country despite ongoing talks between the Chinese government and the Ghanaian government in an effort to curtail the practice. Most of these Chinese miners do not even have work permits and they have been accused of damaging crops, farms and even polluting rivers. This illegal practice has put a strain on relations between the two countries and Ghana is handling the issue cautiously in light of the fact that China's FDI for the country has gone into manufacturing, construction, services and trading.

Another country also with a strained relationship with China is Botswana. In the *African Independent* (2015:4) Mosikare reports that economic ties between Botswana and China are strong with Chinese companies contracted in the construction, manufacturing and telecommunications industries. In 2008 Botswana contracted the Chinese company SinoHydro to expand the Sir Seretse Khama International Airport. However in 2012 the Botswana government terminated the contract citing delays for its decision and the company relocated from the country and started selling-off its cars, office furniture and cranes. At the time of the relocation, SinoHydro had five unfinished projects. This resulted in President Ian Khama announcing that the government will reconsider awarding contracts to Chinese companies due to 'bad experiences' with these companies.

A differentiating feature of Beijing's aid is that it is given on the basis of stated equality and mutual benefit and in the spirit of partnership aimed at mutual benefit (Brautigam, 2008). Alden *et al.* (2008:10) concurs with Brautigam (2008) when he maintains that what is striking about China's rhetoric on aid is that "it has proved notably resilient in being constant over time as opposed to the chameleon pattern of shifting Western development discourse". Brautigam (2008:14) notes that the Chinese have an unusual way of proclaiming a decision on specific aid projects or a general aid agreement during visits of Chinese officials to Africa.

Brautigam (2009:204) points out that despite the fact that the main entity for China's grants and zero-interest loans is the Ministry of Commerce, the Eximbank and the China Development Bank usually provide the bulk of the overseas finance. Both banks also double as instruments to support Beijing's development policy. The Eximbank makes available short term credits to Chinese exporters to aid export and it makes viable longer term credits for foreign importers so that they can have the funds to import Chinese goods.

Beijing's aid is mainly biased towards the areas of agriculture, infrastructure, human resource training, and collaboration in the field of health and medicine. Beijing has also given debt-relief to highly-indebted states in Africa with over-due loans. According to the State Council (2011) the debt relief programme was initiated in 2000 to cancel zero-interest loans and a US\$3.76 billion debt was cancelled and of this amount US\$2.79 billion was erased in Africa.

The State Council Information Office of the People's Republic of China (2014) highlights some of the major aid projects undertaken by the government and the researcher will discuss some of these in the sections below. Beijing has actively assisted African countries to improve their capacity to cope with climate change and forge cooperation in meteorological satellite monitoring, green energy development, reforestation and urban environmental protection. In 2012, China commenced the construction of automatic meteorological stations and high altitude observation radar stations.

### **3.9 Infrastructure Projects**

One cannot deny that China is involved in major infrastructure projects all over the continent which is going a long way in reducing the deficit on the continent. Chinese companies involved in infrastructure projects on the continent have a reputation for giving the best value for money and fast delivery. The majority of Chinese companies involved in infrastructure projects use soft loans for their projects. One example of this is the upgrade of the 1,200 km stretch of road between Luanda and Uige in Angola. The Chinese are not only building roads but are also involved in diverse projects like developing Africa's telecommunications sector, such as the Chinese multinational Huawei Technologies which has developed the communications business of 39 Sub-Saharan African countries (Alden *et al.*, 2008:9).

According to the State Council Information Office of The People's Republic of China (2014) Beijing cooperates with African countries in the fields of medicine and healthcare. In 2014 there were 43 medical teams from China in 42 African countries and she helped construct 30 hospitals and malaria prevention and control centres. The Tappita Hospital in Liberia was also furnished with advanced medical equipment by the Chinese and it is jointly operated by Chinese, Egyptian and Liberian technicians (Hui, 2014:1). The Tanzania-Zambia Railway project is an example of China's early infrastructure project on the continent. In recent times, from 2010-2012 China has worked on 86 economic infrastructure projects (Hui, 2014:2).

### **3.10 Sino-Africa cultural diplomacy (People-to-People exchanges)**

Cultural diplomacy is a kind of diplomacy that uses the exchange of ideas, traditions, values and other facets of culture or identity to forge relationships and pursue national interests (Institute for Cultural Diplomacy). Cultural diplomacy has been going on for centuries and throughout history the creation of regular trade routes fostered the regular exchange of information and cultural gifts between traders and government officials. It can be argued that anyone who interacts with a different culture becomes a 'cultural diplomat' and the exchange including ideas, language, sports and music fosters good relations between states.

In 2000, when the International Year for the Culture of Peace was declared by the United Nations, a Symposium on China-Africa Cultural Exchanges in the New Century was hosted by Beijing. During the gathering, which featured representatives from the African Union and 22 African countries, there was an examination of past cultural exchanges between China and Africa and a plan was drawn for the enhancement of cultural exchanges in the 21<sup>st</sup> century. Traditional cultural diplomacy between China and Africa can be traced back to the 1950s and 1960s. At FOCAC's First Cultural Ministers' Forum in 2012, it was put forward that China and African countries needed to carry forward their traditional cultures in order to maintain 'cultural security'. A call was made for advancing cultural diplomacy between the peoples of China and Africa in order to monetize their respective cultures for the people's benefit (Haifang, 2015: 20).

Park (2015:8) asks '[w]hy do one million Chinese in Africa demand such attention?' She remarks that some answers can be found in the shifting global power and the rise of China. A lot of Africans and scholars of Africa know of the emigration of white people into Africa during the era of colonialism but there has been little emigration of Chinese people into Africa in the past until now. The current trend is sure to arouse the interest of scholars and ordinary Africans.

The Chinese who have emigrated to the African continent can be divided into two groups: the first are labour migrants employed on fixed-term contracts housed in modest shelters owned by the companies that employed them. The second group is independent Chinese migrants who come to the continent on their own volition. This second category are not tied in any way to the Chinese state and this makes them feel exposed because the Chinese government does not protect them via the Chinese embassies.

Various African countries with different 'shades of green pastures' attract different types of migrants. There are graduates, intellectuals, unskilled individuals, and women (some engaging in prostitution). Some come to the continent looking for adventure while others come to seek a fortune. Africa also provides an escape from the congestion and pollution back home. Park (2015:8) reports that in South Africa she met a lot of men from Fujian who were in the past employed in brick-making and other construction-related jobs as well as a former professor who is making more money selling women's lingerie.

Cultural trade between China and Africa will be mutually beneficial to the economy of Africa as a whole and the Chinese economy. The rising middle class in Africa is a big market for the nascent cultural industry. Cultural diplomacy can go a long way to easing tensions between China and Africa as ties deepen; it has the potential of advancing good relations between the two parties. Chinese labour-force working on projects on the continent will, naturally, create some xenophobic sentiments among Africans who will feel they have to compete with the Chinese for jobs and this is where the importance of cultural diplomacy can be appreciated.

In an effort to enhance cultural diplomacy, the Chinese government has established 400 odd Confucius Institutes around the world, with the newest one in Johannesburg (Monama, 2015:11). The institute will give mandarin classes and facilitate the exchange of scholars and go a long way to dispel the fears South Africans harbour about the Chinese.

### **3.11 Medical diplomacy**

In comparison to South Africa, the health-care delivery systems on the continent are generally poor. Even South Africa's public healthcare delivery system is poor and it is only in the private sector that international best practices are met. China is actively assisting African governments in making quality healthcare accessible to their populace.

At the second Ministerial Forum of China-Africa Health Development hosted in Cape Town, in October 2015, health ministers from Africa and their Chinese counterparts discussed making top quality healthcare readily accessible to the African populace at a reduced rate and sending health professionals to China for training. China pledged individually to construct 100 hospitals and clinics in Africa and collectively the parties pledged to 'support a new, well-funded and functional international response-system to manage future pandemics'. This was made in the aftermath of the ebola crisis which crippled an already overburdened healthcare system in the affected countries. In the wake of the ebola crisis China disbursed \$120 million and 1000 medical workers to assist affected countries (Skosana, 2015:1). The Health Forum was arranged by Beijing, guided by a programme of action of African countries, the strategies of the World Health Organization, the Agenda 2063 of the African Union (AU), and the United Nations Sustainable Development goals (South African Government News Agency).

The Chinese Health Minister, Lin Bin said at the Forum that Beijing was going to assist Africa to set up a resilient health system like the construction of a Centre for Disease Control and Prevention at the AU, regional and country levels. There was also going to be the joining of hands in the field of laboratory research, as well as the exchange of information on major diseases. He also said that Beijing was going to goad 10 Chinese pharmaceuticals and medical equipment companies to cooperate with their African counterparts via technology transfer, and the production and maintenance of medical equipment (South African Government News Agency).

### **3.12 BRICS and Africa**

China does not only deal with Africa bilaterally, but also multilaterally and one of the major forums for multilateral engagement is the BRICS forum. BRICS is composed of five countries

from four continents with a desire to foster partnerships for mutual development. According to Jinping (2014:356) the nations in the BRICS partnership share an aspiration for global peace and a stable social environment, for all peoples of all countries. He continues to state that all countries, despite their size, clout or stage of development are all equal members of the global community. No country ought to interfere in the internal issues of another country and international issues should be handled by all countries, through deliberation. It is the express desire of the BRICS nations to make the international system a fairer place for the benefit of the nations of the South. Following its founding BRICS has had a positive attitude toward international issues in a cooperative spirit (The Fifth BRICS Summit, Durban South Africa).

Ties between BRICS and Africa has strengthened in recent years because the BRICS countries are becoming increasingly influential globally and their engagement is in three areas, trade, investment and development assistance.

Among the BRICS countries, China has the strongest economy and this will translate into her having a lot of clout in the organization. She will have a strong voice when it comes to the policy direction of the organization, therefore it can be concluded that the BRICS forum is an arena, where, to some extent China deals with Africa multilaterally through South Africa. According to the United Nations Economic Commission for Africa (2013:1) the BRICS economies are important to Africa's development because of the size of their economies.

The BRICS nations have enormous clout in the global economy as the scales are tipping towards them. Soon China's economy will surpass the United States economy to become the world's number one. Kupchan (2012) remarks that World Bank projections point to the US dollar losing its global dominance by 2025 when the global monetary system will see the euro and the renminbi becoming global currencies and in 2050 the top five global economies will be the BRIC nations and the US. Note that it is BRIC not BRICS, because in the BRICS organization, South Africa has the weakest economy.

Trade propels economic growth, and trade between Africa and BRICS keeps growing. Her trade with BRICS has outgrown her trade with any other part of the world. According to the United Nations Economic Commission for Africa (2013:1) from 2007 to 2012 trade between Africa and BRICS doubled to \$340 billion and it is forecasted to reach \$500 billion by 2015. This research undertaking will show that trade between Africa and by extension South Africa

and BRICS is in primary goods and this does not auger well for African economies. However there is an opportunity for African exporters when one considers the rise in Chinese incomes which mean the purchasing power of the Chinese consumer will keep increasing in the foreseeable future. Trade between Africa and BRICS has seen prices of consumer goods plummet in the African marketplace, however this is a double edged sword as Kaplinsky & Masuma (2010) conclude that the manufacturing prowess of some of the BRICS economies has led to price wars and a shrinkage in industrial output in African economies.

Africa's engagement with BRICS will benefit Africa if she can take advantage of the opportunities and mitigate the risks inherent in the engagement. A common challenge faced by African countries is poverty, high rates of unemployment and infrastructure deficit. Remedying the status quo is the preoccupation of African leaders and policy makers. Creating employment will drive economic growth and reduce poverty on the continent and this will create social stability and structural change. The onus is on African leaders and policy makers to negotiate their trade terms with the BRICS economies and to employ Africa's under-used labour pool for economic growth and development which will impact positively on the quality of life of the average African.

There is also FDI flows from the BRICS economies into Africa which is driving growth on the continent. Ozawa (1992) concurs with this assertion when he states that foreign direct investment may result in fundamental transformation and accelerated economic growth of the recipient country. However, others contend that FDI only impacts positively on economic growth when direct transfer of technology supplements the knowledge base of the recipient country via cultivation of the labour force and the transfer of skills (De Mello, 1999).

FDI from the West remains crucial to Africa's development aspirations, however in recent times, the bulk of FDI into the continent has emanated from the BRICS countries only although this is plummeting marginally in the aftermath of the Great Recession of 2008 (Kimenyi & Lewis, 2011). Prior to 2002, FDI inflows from the BRICS economies was overshadowed by inflows from Western sources, however current data shows that FDI inflows from China, India and Brazil have risen from 18% of the entire amount to 21% in 2000-2008 (United Nations Commission for Africa, 2013:8).

Among the BRICS nations China is Africa's largest source of FDI. According to the United Nations Conference on Trade and Development (UNCTAD) (2011) the largest source of outside private capital, expertise and trade opportunities for all developing countries come from FDI. Though FDI inflows into the continent have grown over a longer period, such inflows have continued to plummet since 2009 (UNCTAD Stat, 2013). The finger of suspicion for this state of affairs can be pointed to the political turmoil in North Africa because this part of Africa has traditionally accounted for over a third of FDI to the continent (UNCTAD, 2011).

One characteristic of China's FDI is that it is strategic in nature, focusing on a few major economic centres of strategic value to China, like Africa's extractive industries. The onus is on local policy makers to invest revenue accrued into higher value-added sectors of their economies so they can diversify their exports. It should be stressed that Beijing's transport investment is no different from the kind Africa saw during the high noon of colonialism, in the sense that they are geared towards the ferrying of commodities to China. Ajakaiye et al. (2009) provide statistics for China's investments in Africa's agrarian sector: to Ghana \$4.3 million in 2001, in Kenya the focus has been on coffee and rice growing, timber and fisheries production in Cameroon and in Mali, Tanzania and Zambia the focus has been on cotton farming.

At the sixth BRICS summit hosted by Brazil in Fortaleza there was a consensus about the establishment of a New Development Bank (NDB) which is a Contingent Reserve Arrangement (CRA) (Schablitzki, 2014). This consensus raised the profile of BRICS from that of a group that meets informally to one that is institutionalized with formal cooperation. This new institutionalization is recognized in the form of an IFI.

Emerging economies and Least Developed Countries in the Global South have been disappointed with existing IFIs in the form of the Bretton Woods Institutions (World Bank Group and International Monetary Fund (IMF)). African states in particular have been disappointed with the voting system of the Bretton Woods Institutions which do not take into account the fact that there is a polar shift in international relations: global power is shifting from the North to the South.

Although the voting system takes into account the economic weight of the member countries, it was designed in a post Second World War world which is far removed from the economic and political realities of the 21<sup>st</sup> century (Schablitzki, 2014; Griffith-Jones, 2014). Emerging

economies have led the charge for reform of the Bretton Woods Institutions but powerful interests in the North have blocked such reforms.

It is fair to contend that the NDB was not set up to confront the North, however it is symbolic in the sense that it hints to the North to start reforms in the Bretton Woods Institutions. The NDB transcends financing development projects or being a source of credit for the BRICS nations only, it also gives non BRICS and African states alternative sources of credit apart from the Bretton Woods source. According to Schablitzki (2014:6) the initial subscribed capital of the NDB will be US\$50 billion and each BRICS member will contribute a paid-in share of US\$10 billion, which is impressive.

African governments and policymakers will be happy at the decrease of political conditionality which will be a feature of the NDB. This will be a departure from the prevailing consensus which requires institutional reforms for development financing. Due to their strict recognition of national sovereignty, it is unlikely that China, in particular, will use political conditionality in the lending process. The NDB will not tie credit to indicators like human rights, corruption, and good governance (Dossani, 2014, Green, 2014:3, Maihold, 2014:3). According to Griffith Jones (2014) the BRICS' CRA will have a forestalling role which will assist BRICS members and the wider South to forestall short term liquidity pressures and provide a safety net.

In fact, the majority of regional and multilateral banks have been born out of the necessity for a concerted focus on infrastructure development. Griffith Jones (2014) argues that the European Investment Bank (EIB) began with the aim of financing and linking infrastructure between European countries so as to smoothen trade. In like manner, the World Bank was constructed to aid the rebuilding of European infrastructure in the aftermath of the Second World War. Over the course of time, such banks have expanded their portfolio to lend to other sectors. The logic behind the NDB is to finance infrastructure in the South and make development sustainable. There is an undeniable link between infrastructure development and high economic growth. In Africa urbanization is in full swing with droves of population moving into urban centres, this puts pressure on an already inadequate existing infrastructure.

Another important role of the NDB will be to funnel experience of many projects into a centre of expertise which will provide technical help for project preparation and implementation and it will give the BRICS states a stronger voice in the global finance architecture at a period

when they have the capacity for it. From the standpoint of the BRICS nations it serves their interests in creating the NDB because it will improve the infrastructure of their commerce partners.

### **3.13 Similarities and differences in Africa-BRICS cooperation**

One can infer that there are similar elements and variations in the way the BRICS nations cooperate with Africa. First trade statistics between Africa and BRICS point to an upward trajectory and this has been mutually beneficial for both parties. Second, there is a mixed bag in the areas of interest shown by the BRICS nations despite the fact that these interests are predicated on strategic contemplations. One can also observe that there is an evolving partnership between the public and private sectors in the BRICS.

However there are differences and the most prominent are highlighted here. China is the largest partner in trade, aid and investment and she gives aid to almost all countries in Africa despite the fact that such assistance is biased in favour of resource-endowed economies. Also the type of assistance varies. The United Nations Economic Commission for Africa (2013:2) states that Brazil takes a different approach compared to India and China in the sense that she over-emphasises technical assistance and subsidizes the business operations of her multinationals on the continent.

Among the BRICS nations, Russia conducts the least trade with Africa; Africa's exports to her are a meagre 1% of the BRICS overall and Russia's exports is only 7%. Russian multinationals invest mainly in energy, like Chinese multinationals but they also focus on food security and education (United Nations Economic Commission for Africa, 2013:2).

South Africa has done a lot to end wars on the continent by contributing peace-keeping forces on the continent, especially in Africa's Great Lakes region but it can be argued that her motives are not altruistic because she wants access to the rich resources found in the Democratic Republic of Congo.

### **3.14 China's one belt one road (OBOR) and Africa**

China's One-Belt, One-Road initiative has two parts: an aquatic Silk Road starting from Fujian on China's coast, via the Straits of Malacca and the horn of Africa to Venice. One-Belt on the other hand goes overland through central Asia and the Middle East with Europe as the destination. According to Jinping (2014:15) over 2000 years ago in the era of the Han Dynasty (206 BC-AD 220) a Chinese diplomat by the name of Zhang Qian was sent out to Central Asia on a diplomatic offensive which endeared China to the countries of Central Asia. The Silk Road was born joining, East to West, Europe to Asia.

Geographically the Silk Road will cover a lot of territory and Beijing envisages it to be economically beneficial for her and multiple countries. It will involve huge infrastructural spending which will connect countries and boost trade. According to Orlik (2015:2) since the government committed \$40 billion for the project, shares in companies like the Sany Heavy Industry and the China Machinery Engineering surpassed the wild rally on the Shanghai bourse. The expanse that will be the One-Belt, One-Road initiative holds close to 50% of global GDP and trade. It will also involve over 60 countries which make up a third of the world's population (CLSA, 2015:4).

Since Beijing is financing this initiative one cannot overemphasize its strategic value, in as it will increase China's clout, not just in the regions affected but globally. Her clout will be expanded over everything from shipping corridors for oil transports and decision-making in the world financial system. Monyae (2015:13) contends that OBOR is a response to the US's pivot to Asia which is seen by Beijing as an effort by Washington to contain China's rise.

Africa will benefit from the initiative through infrastructure development which will see economic growth in African countries and the migration of labour-intensive industries to the continent. The importance of infrastructural development seemed to be confirmed by the signing of a Memorandum of Understanding between China and the African Union in January 2015. The initiative envisages the linking of all 54 African countries via transportation infrastructure projects which will include airports, modern highways, and high speed railways (Sun 2015:2).

The One-Belt One-Road initiative combined with the AU's Agenda 2063 can enhance Sino-Africa ties<sup>1</sup>. The two initiatives are not formally linked together but they do compliment each other. According to Nkoana-Mashabane (2015:2) the synergies between OBOR and Agenda 2063 are being disseminated into projects and programmes. China has constantly doubled its aid to Africa during the previous FOCAC meetings: \$5 billion in 2006 to \$10 billion in 2009 and \$20 billion in 2012. OBOR is mainly focused on linkages that transcends physical infrastructure to include the sharing of culture, philosophy, and people-to-people interaction. This synergy between OBOR and Africa's development agenda should be motivation enough for African policy makers to have a coordinated approach towards the OBOR initiative.

Nkoana-Mashabane (2015:2) states that Chinese Premier Li Keqiang's visit to Africa in 2014 was geared towards cementing Sino-Africa ties in the infrastructure domain. This attention on infrastructure development was consolidated via the signing of a Memorandum of Understanding between Beijing and the African Union on 27 January 2015. This plan aims to connect all 54 African countries through an extensive transportation network. Connecting all 54 African countries physically will boost trade and strengthen intra-African ties and building on these strengthened ties, African states can have a coordinated approach towards OBOR.

The initiative however will not resolve a lot of the questions about China's economic relations with the continent. Pundits in China sell the initiative as mutually beneficial and their assessment is valid, however they do not raise the issue of China's controversial relationship with the continent when it comes to infrastructural spending as the Chinese bring their own labour for such projects hence such projects do not provide employment for the locals. Also such projects have one objective in mind: accessibility to Africa's natural resources and access to African markets for Chinese manufactures.

### **3.15 Conclusion**

China has an extensive and evolving relationship with the African continent which begun in modern times in the aftermath of the communist revolution of 1949 when she aided African

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<sup>1</sup> The AU's Agenda 2063 is a developmental agenda which aims to put the destiny of Africans into their own hands. Africans will be mobilized to take ownership of continental programmes and become self-reliant with Africa financing her own development.

liberation movements in their quest for independence. It has been argued that China's economic interests have relegated her political interests, however she continues to forge strong political ties with the continent in order to strengthen economic ties.

This chapter has highlighted high level diplomatic exchanges between the Chinese leadership and her African counterpart. On the economic front the Beijing Consensus is replacing the Washington Consensus with trade between Africa and China increasing. The issue of aid has been addressed and mention has been made of the non-prescriptiveness of Chinese aid. Sino-Africa cultural diplomacy was also looked at with Haifeng (2015:20) in favour of monetizing it. BRICS and Africa was addressed with the researcher arguing that China drives much of the BRICS' agenda toward the South because of her economic muscle. The next chapter will look at Sino-Africa bilateral relations.

## CHAPTER FOUR

### 4. Bilateral relations between China and South Africa

#### 4.1 Introduction

The ties between South Africa and China are strong and mutually beneficial for both parties. Since the establishment of diplomatic ties on January 1 1998, the relationship has grown from strength to strength (Yanshuo 2008:14). South Africa is China's largest trading partner on the continent and since the inception of trade in the early 1990s both parties have promoted mutually beneficial investments in the spirit of interdependence. Beijing has used the China-Africa Development Fund to entice Chinese companies to invest in South Africa (Department of Foreign Affairs 2007).

The two countries established a Bi-National Commission to guide and coordinate relations between them and they meet periodically to review and strengthen the relationship. At the fourth plenary session held in 2010, the then vice president, Xi Jinping remarked that '[t]he China-South Africa Bi National Commission was a high-level mechanism guiding and coordinating the cooperation between China and South Africa in all sectors.....' He requested for the commissions role to be maximized so as to advance the materialization of the Beijing Declaration on the Establishment of Comprehensive strategic Partnership (Embassy of the People's Republic of China in the Republic of South Africa).

The two countries are also members of BRICS and their close relationship extends to this group which is composed of the major emerging economies. The member states are guided by the philosophy that cooperation between developing countries will make the world a better place. In 2013, the fifth BRICS summit was held in Durban, South Africa where the member states agreed to establish a development bank to rival the Bretton Woods Institutions (Ying 2013:14). This chapter looks at political and economic ties between South Africa and China.

## 4.2 South Africa's foreign policy

Anthony, Tembe and Gull (2015:1) assert that over the past 10 years, South Africa's foreign policy has been influenced by some key developing countries. The BRICS nations have been creating a new geopolitical reality that is challenging the established western hegemony on the global economic and political scene. South Africa's BRICS allies have adapted a firm state-driven market adaptation which has made these nations see strong economic growth. China is currently South Africa's largest trading partner and this development has naturally led to both nations forging stronger ties which can be seen in the formalizing of many agreements (Alden 2014).

Although Russia and China have an authoritarian political culture and Brazil, India and South Africa have a democratic one, they are all united in their opposition to the dominance of the international order created by the West. They all call for a replacement of the Washington Consensus with the Beijing Consensus.

Pundits have asserted that South Africa's association with the BRICS organization has influenced her foreign policy. Anthony, Ross & Gull (2015:6) contend that during the Mandela presidency South Africa cast herself as a defender of human rights and democracy in the world. This role was maintained by an optimistic feeling surrounding South Africa embracing democratic ideals which was in agreement with the liberal foreign policy in the West. Sidiropoulos (cited by Anthony, Tembe & Gull 2015:6) explains that during the Mbeki presidency the South Africa's foreign policy towards the African continent was structured in the form of government initiatives and Mbeki was a strong advocate of African development in the face of an archaic and unfair global governance configuration.

It was during the Mbeki's administration that the tenets of his foreign policy, of which African solidarity was one of the core, were a departure from the idealism of Nelson Mandela. His 'quiet diplomacy' towards Zimbabwe readily comes to mind. Mbeki's foreign policy put pressure on South Africa's ties with her Western partners who accused her of choosing African solidarity over democratic principles. President Zuma thus inherited a South Africa which had embraced an attitude of South-South cooperation and the realization of the African agenda and a country that prioritized economic diplomacy with rising powers (Landsberg, 2010). The country has continued on this path under the Zuma presidency within the context of South

Africa's membership in the BRICS organization. Foreign policy analysts point out the different levels of actors searching for a platform to influence the decision making process. In the spotlight are the President or Prime Minister and key officials, followed by lower level officials and in the periphery, one can identify the media, NGOs and the public (Allison & Zelikow, 1999). Masters (2012) contends that in the context of South Africa, what is immediately clear is the central role played by the president of the Republic. This feature was identified during the apartheid period and the democratic dispensation but this does not, however diminish the role played by other foreign policy stakeholders. In South Africa there are roles for stakeholders like the ANC, Department of Trade and Industry, Department of Defence, Parliament, domestic NGOs and of course the Department of International Relations and Cooperation (DIRCO).

Worldwide the executive continues to play a central role in the conduct of international relations which is evident in the popularity of summit diplomacy of which FOCAC is an example<sup>2</sup>. President Zuma has adopted a low-key role in foreign policy as he has not cast himself in the same leadership role as his predecessors, despite this he has strengthened relations with key developing countries as can be seen in the BRICS organization. He has travelled worldwide, often accompanied by a large business entourage. In his maiden state of the nation address to parliament in 2009, President Zuma said that 'the main goal of government for the medium term is to ensure that our foreign relations contribute to the creation of an environment conducive to sustainable economic growth and development' (President Jacob Zuma, State of the Nation address). This hinted at the rationale that will guide his foreign policy- 'growth and development'. Subsequently the minister in charge of the newly minted DIRCO, Maite Nkoana-Mashabane proclaimed that the new President's foreign policy 'is based upon and is indeed an advancement of our domestic priorities at an international level' (Maite Nkoane-Mashabane).

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<sup>2</sup> Thabo Mbeki was vilified for having what has been labelled as an 'imperial presidency' for his centralised role in foreign policy, see Chothia, F & Jacobs, S 2002, 'Remaking the presidency: the tension between coordination and centralisation', in S Jacobs & R Calland (eds), *Thabo Mbeki's World: the politics and ideology of the South African President*, Scottsville: University of Natal Press. What is overlooked is that this role is backed by an enabling environment in which a predominant president can play that role. This is not limited to the president's interest in international relations but also a tradition of a hands on approach to foreign policy in South Africa.

According to Landsberg (2010:279) in the conduct of her foreign policy Africa will continue to be the first foreign policy foundation on which South Africa's own policy rests. What this implies is that Africa will be forever bound to South Africa. This situation informs the Republic's relations with non-continental powers like China so that her foreign relations will in no way undermine her foreign policy towards Africa.

### **4.3 China's foreign policy**

China often spells out its foreign policy in terms of principles and slogans. From the days of Deng Xiaoping, Beijing's foreign policy rhetoric has been one of independence and pacifism. Beijing introduced the concept of "peaceful rise" to allay the fears of other powers who see China as a threat. Contrary to Beijing's official rhetoric, emphasizing peace and good ties with its immediate neighbours, China's actions in the South China Sea are belligerent.

China has natural resource and energy needs and this is necessitating Beijing to forge ties with resource-rich countries. Zweig and Jianhai (2005) label China's foreign policy as a "resource-based foreign policy" with a goal to have access to apart from crude oil, natural gas and raw materials.

Gaining access to these resources is vital to China's economic growth and domestic stability. This need compels China to forge ties with repressive regimes and pursue foreign-aid practices that are secretive and this has made many western pundits to question her role as a responsible international actor. Sun (2014:1) agrees when he writes that China's unusual economic approach has been criticized. This attitude from the west is highly hypocritical because western governments have also had relations with repressive regimes.

Sun (2014:1) explains this hypocrisy when he states that China's economic activities in Africa are labelled as 'evil' when they serve Beijing's 'selfish' need for natural resources but are labelled as 'virtuous' when they are perceived as providing a foundation for long term economic development.

#### **4.4 Political relations between China and South Africa**

South Africa is a multiracial country of over 54 million people with black South Africans being the largest ethnic group. She is a regional power on the African continent with extensive trade, political and economic relations on the African continent. Any power outside the African continent that wants to gain a foothold on the continent will need South Africa as a strategic ally. The US, for example, sees South Africa as a strategic partner because of her clout on the continent (Cook 2013). China on the march to greatness sees the strategic value of South Africa for the same reasons.

Jinping (2015:1) writes that Sino-South African diplomatic relations were established in 1998 and the ties have evolved into a strategic partnership and then into a Comprehensive Strategic Partnership with the Chinese, President Xi Jinping visiting South Africa in his maiden trip overseas in 2013. Alden and Wu (2014:7) inform that the commencement of diplomatic ties was marked by an attitude of cooperation and cautious optimism. However both countries decided to work together to improve security on the African continent. Shelton (2008:260) writes that President Jiang Zemin signed the Pretoria Declaration during a state visit in 2000. The focus of the declaration was the creation of a bi-national commission to enhance conditions needed for a win-win economic relationship. The maiden bi-national commission met in December 2001 which saw ties being elevated during the second bi-national commission (Department of International Relations).

The Sino-South Africa relationship was at times shaky, especially during the Mbeki presidency. The Mbeki administration had a foreign policy focused on the continent, with continental initiatives like NEPAD and the administration courted the G8 countries for trade and investment to the neglect of China. Mbeki went as far as cautioning African leaders to be wary of Sino-Africa ties perpetuating established global patterns of trade that relegates Africa to exporting raw materials and importing finished goods (BBC News). The administration was critical of China on issues like Zimbabwe and Darfur.

The Great recession of 2008 and the resilience of the Chinese economy were factors that led to an improvement in Sino-South Africa relations. These conditions occurred just before Zuma became the President with the country's foreign policy apparatus realizing that South Africa needed to "look east" to China. President Zuma paid a visit to China in 2010 signalling a

willingness to strengthen ties between the two countries. Under the Zuma presidency, China-South Africa relations have deepened compared to his predecessors. The two countries have worked together in arenas like the UN and FOCAC and they continue to support each other's positions on issues.

The countries set up a Joint Inter-Ministerial Working Group in Beijing to foster bilateral relations (Department of International Relations and Cooperation). The arrangement envisioned bi-annual gatherings between the South African Deputy President and the Chinese Premier with yearly meetings at the Ministerial level. According to Alden and Wu (2014:10) this arrangement was ratified by both sides in March 2013. The implementation of this arrangement however was challenging as South African officials were not able to attend joint events.

Both countries have reached an important consensus on the development of their friendship by formulating the China-South Africa Five-to-Ten-Year Strategic programme for Co-operation which has 'injected strong impetus into the China-South Africa ...strategic partnership' (Jinping, 2015:1). One cannot deny the reality that Sino-South Africa relations have evolved from the bilateral sphere and gained ever-increasing strategic significance. Both countries are developing countries in the Global South class, with emerging-market status, holding identical positions on development and the international order so it makes sense that they cooperate with each other in multilateral mechanisms like the Group of 20 (G20), UN and Basic countries.<sup>3</sup>

South Africa is home to more sister provinces/cities with China and has more Confucius students than any other African country and the 'Year of China in South Africa' and the 'Year of South Africa in China' were held in each other's country. South Africa is the first and only African country to have this programme with China.

In the context of bilateral ties 18 years of diplomatic relations are not long but what both countries have forged and achieved together during this period is noteworthy. Sino-South Africa relations have come to symbolise relations between China and Africa and China and another emerging market economy.

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<sup>3</sup> Basic countries /BASIC refer to the bloc of newly industrialized countries founded in 2009. They decided to act in concert at the Copenhagen climate summit of 2009.

In the international setting, South Africa has urged developing countries to advocate for reform of the global governance system via the G77+China group (ChinAfrica, 2015:7). In January 2015, South Africa assumed the headship of the group and the group is promoting South-South cooperation in the economic and technical areas. This group shows that political relations between the two parties transcends the bilateral level.

The issue of the Tibetan spiritual leader, the Dalai Lama has shown the importance Pretoria places on ties with China and how far Pretoria will go to avoid displeasing Beijing on issues. In the City Press (5 September 2014:1) it was reported that China continued to show her appreciation to South Africa for denying the Dalai Lama a visa. The spiritual leader was denied entry to attend the 14<sup>th</sup> world summit of nobel laureates. Human rights activists condemned Pretoria for not giving the Dalai Lama a visa saying the world showed solidarity with South Africa during the dark years of apartheid and South Africa was obliged to stand with the Tibetan people.

#### **4.5 Sino-South African cultural diplomacy**

The year 2015 was a landmark year in Sino-South Africa relations, it was dubbed the ‘Year of China in South Africa’ and there were a lot of programmes to honour Sino-South Africa ties. The programmes were designed to showcase Chinese culture to South Africans in an effort to strengthen Chinese soft power and cultural diplomacy. Although the events were cultural in nature, Chinese companies were goaded during the occasion to consider investing in South Africa and take advantage of her favourable investment climate. This was the first time such a programme was organised on the African continent and it highlighted the value China placed on her relations with South Africa. This is a reciprocal programme because 2014 was the ‘Year of South Africa in China’ (ChinAfrica, 2015:14). Outside of Africa China has also had such cultural exchanges with the United Kingdom and the year 2015 was dubbed the China-Britain cultural exchange year (CCTV Africa).

These programmes began with a state visit by Chinese President Xi Jinping to South Africa in 2013. There was an announcement by the Chinese President and the South African President

Jacob Zuma to designate 2014 the ‘Year of South Africa in China’ and 2015 the ‘Year of China in South Africa’.

According to Graham (2015:18) the aim of the ‘years’ were among other things to boost the countries’ profile and improve the understanding of South Africa in China and China in South Africa. Additionally to help improve the image of both countries by prioritizing economic, cultural, education and social cooperation.

It is plausible to say that the ‘Year of South Africa in China’ went a long way to introduce South Africa to the Chinese people. People worldwide reckon South Africa is all about Nelson Mandela, football, natural resources, tourism and crime. The Chinese people now however have a better understanding of South Africa and this has strengthened South Africa’s soft power. Haisheng (2015:16) says that the programmes did not just highlight South Africa’s culture but presented to the Chinese people her society, economic development and achievements. The Chinese Ministry of Culture worked with the South African Department of Arts and Culture and the South African Embassy to plan programmes which went beyond highlighting South African traditional culture but also pointing where it had merged with Western culture and could also with China.

Haisheng (2015:16) goes on to say that South Africans may be familiar with Bruce Lee, Jackie Chan, martial arts and the world wide popular Chinese food but thanks to the ‘Year of China in South Africa’, South African’s will see the importance China plays in the global economy and realize that China is a responsible country, proud of its culture, and she values harmony and tolerance.

More than a 100 events were arranged for the ‘Year of China in South Africa’ including 20 big government-planned activities and a lot of small and medium sized events. South Africa’s major cities hosted these events. Chinese cultural groups did not only entertain in theatres but also entertained in local schools and town halls. This gave ordinary South Africans the chance to see Chinese culture on display. Sino-South African cooperation in the cultural industry was also enhanced when the Shanghai Municipal Administration of Culture, Radio, Film and Television took some Chinese cultural enterprises to South Africa to participate in a China-South Africa cultural industry seminar (Haisheng 2015:16-17).

Sino-South Africa cultural diplomacy seeks to increase tourist numbers between China and South Africa to strengthen bilateral ties. According to Lefifi (2015:22) in 2013 there were 151,000 Chinese tourists visiting South Africa which was a 14.7% increase over 2012. In 2015 Air China decided to fly non-stop between Beijing and Johannesburg, the first non-stop flight between China and an African country. South Africa has signed an agreement with China to buy 10 Xiaoying-500 planes (Chinafrica, 2015:8).

#### **4.6 The Chinese in South Africa**

According to Yap & Man (cited by Ho, 2015:14) the Chinese in the country were a minority among minorities in the country and at their height before the demise of apartheid their total population was about 25,000. Alden (2008:1) writes that, currently, South Africa hosts the largest population of Chinese people on the African continent. When the Dutch arrived in the Cape in the Seventeenth century the Chinese followed as slaves, labourers, convicts and those paying off debts to the Dutch East Indian company. These arrivals were Fujian Chinese and there were no records of Chinese women residing at the Cape at that time so these groups' offspring are part of the Coloured people of the Cape.

These Chinese pioneers became South Africans and were gradually assimilated into the South African way of life. Wilhelm (2006:351) points that's another group known as Hakka and Cantonese Chinese started arriving from the 1870s with the Hakka residing in the coastal regions and the Cantonese in Johannesburg.

It has not been a rosy history for them as they faced discrimination and racism and owing to their small numbers they were side-lined in debates over ethnicity. According to Harris (quoted by Ho, 2015:14) they were the first community to experience legalised racism in the form of the Chinese Exclusion Act of 1904. Under apartheid South Africa they were categorized as 'coloureds' and although they enjoyed some freedoms they were always viewed as second class citizens. They were disenfranchised like black people until 1994 and were restricted when it came to where they could live and the type of occupation they could engage in. Their story has been one of a group seeking a place in an environment that was historically ambivalent

and hostile towards them. They straddled the colour line and began losing their language and religion as Christianity spread together with the education provided by the churches.

The Nationalist Party was regarded as an international pariah and this isolation compelled them to seek alliances with other pariahs or isolated states. The Party forged an alliance with Taiwan which lasted for 20 odd years. Taiwanese nationals then began emigrating to South Africa establishing factories and going into import-export businesses (Ho, 2015:14). The local Chinese population did not have a lot of economic opportunities and this made them focus on education and setting up small shops. The discrimination they experienced under apartheid resulted in a brain drain with 30-40% of Chinese graduates emigrating by the late 1960s (Wilhelm, 2006:352).

After the demise of apartheid and the re-racialization of South Africa via affirmative action laws, the issue of Chinese-South Africans became a national debate. They were barred from affirmative action laws on employment equity which made them feel ignored by the government. They complained that under apartheid they were counted as non-white and post-apartheid they are counted as non-black. The issue of one Phil Ah Hing is a case in point; she applied for a shop at the Emfuleni casino in Port Elizabeth and she was refused because she was not black and her reply was ‘we didn’t count before and we don’t count now’ (Wilhelm, 2006:354).

In 2003 the Chinese association of South Africa approached parliament concerning their legal status during apartheid and raised their grievance against being excluded from affirmative action (Wilhelm 2006:354). It is interesting to note that in their petition they stated that ‘the amendment to the Employment Equity Act would allow us as South Africans to believe that we are part of one nation.’ This statement shows that they identify themselves as South Africans; they have since been included into the category of persons who qualify for affirmative action.

The Chinese suffer from the misperception that migrants are responsible for crime. One can argue that a lot of Chinese migrants break the law to get into South Africa and many may not have the required papers to reside in the country but many are involved in legitimate trading. It must be mentioned that the Chinese in South Africa celebrated the 70<sup>th</sup> anniversary of the

victory of the Chinese People's War of Resistance Against Japanese Aggression and over 1500 took part in the event (ChinAfrica,2015:9).

#### **4.7 Economic relations**

Jinping (2015:1) claims that for six years China has been South Africa's largest trading partner and Chinese FDI in the country has totalled \$13 billion. Chinese State-Owned Enterprises (SOEs) are involved in building home appliances, assembling vehicles and locomotives, just to mention a few. The SOE's are assisted by the Chinese state to invest abroad with China's growing pool of foreign exchange reserves. Unlike Western countries which see Chinese FDI as a national security threat, fellow developing African countries see Chinese investment as a development opportunity instead of a security threat. According to Bowker (cited by Beeson, Soko & Yong, 2011:1377) China has designated South Africa a 'preferred country' on a 'preferred continent' for Chinese FDI. As a matter of fact South Africa is the only continental power with a manufacturing and service base capable of engaging the Chinese market well.

On the eve of FOAC 2015 President Zuma hosted a bilateral meeting with his Chinese counterpart in which they reviewed the Five-to-Ten Year Strategic Cooperation between the two countries (Department of International Relations and Cooperation). Under the strategic cooperation between the two countries for the Year 2015, these areas were identified: the two countries agreed to align industries to speed up South African industrialization, improve cooperation in Special Economic Zones (SEZs), improve maritime cooperation, develop infrastructure, cooperate in the area of human resource development and cooperate in the financial services industry (Department of International Relations and Cooperation).

South Africa may not reach her targeted growth for 2016 because of the slow-down in the global economy and the slump in demand for commodities from China because of the slow-down currently being experienced by the Chinese economy. This has compelled South African economic policy makers to draw up a Nine Point Plan to stimulate the local economy so it can absorb the shocks from the global economy. The plan aims, among others, to revitalize the agriculture and agro-processing industry, encourage beneficiation of South Africa mineral wealth and effectively implement South Africa's industrial policy action (Imbizo, 2015:2).

From 2009 to 2014 trade between South Africa and China soared, however in 2015 trade declined due to the slow down in the Chinese economy which dented South African exports to China by 19% and resulted in South Africa's trade deficit with China to increase by 93% (Department of International Relations & Cooperation).

Ka'Nkosi (2015:17) reports that China has substantial investments in the mining industry. In 2013 the China-Africa Development Fund and the Jinchuan Group acquired a 45% stake in Wesizwe Platinum, in a deal worth \$227 million.

When it comes to Sino-South Africa economic relations, there is a competitive dimension to it because of China's economic forays into Africa which has caused South African Multinational Corporations to lose market share, in what South Africa sees, as her 'backyard'. South African Multinational Corporations like Standard Bank, MTN, Shoprite and Edgars are trading all over the continent and they are facing stiff competition from Chinese business concerns.

#### **4.8 FOCAC 6 and Sino-South Africa economic relations**

Mudzwiti (2015:6) writes that during FOCAC 6 exports from South Africa destined for China received a boost with the signing of over 20 cooperation agreements and contracts worth \$918 million. These agreements were concluded during the China Inward Buying Mission event that took place in Sandton just before FOCAC 6. The Inward Buying Mission is part of the Comprehensive Strategic Partnership between the two countries.<sup>4</sup> Both countries reached an agreement whereby China would import more value-added goods from South Africa so both countries can have a more balanced trade in the spirit of interdependence. The Inward Buying Mission is a symbol of Sino-South Africa ties which have come a long way.

The Mission will reduce the trade imbalance between the two countries and aid South Africa's industrialization efforts. Beneficiation of the country's mineral wealth will make them fetch a better price on the Chinese market. Davis (2011:46) informs that South Africa's mineral wealth cannot be easily overlooked by China in the context of her resource diplomacy. South Africa

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<sup>4</sup> An Inward Buying Mission is a mission set up to help buyers/investors via the Department of Trade and Industry so they can make contact with foreign counterparts so trade and investment can be concluded easily (Department of Trade and Industry).

boasts 33% of global chromium reserves, 88% of platinum reserves and 77% of manganese reserves. Even though beneficiation of these resources will fetch South Africa a lot of money on not just the Chinese market but also the global market, beneficiation should be the maiden step in South Africa's industrialization policy because her imports from China comprise of textiles, electronic goods and products of higher value. This skewed trade profile between the two countries is a just a small part of a host of concerns that South Africans have about China.

Currently South Africa's commodity exports to China have seen a slump in demand due to the slowdown of China's economy. The Chinese economy is also undergoing a change which is seeing the economy move from an export-driven one to one driven by local consumption. To curb South Africa's over reliance on commodity exports, China pledged \$50 billion for industrialisation projects in South Africa. China was also going to make available 50 technical experts to construct and upgrade industrial parks, construct power plants and give capacity to local industrial managers (Nelles, 2015:3-4).

In line with South Africa's beneficiation policy the Hebel Corporation from China will be processing iron ore from Limpopo Province to ferro-chrome and in a separate development the Beijing Automotive Industry Holding Corporation concluded a deal with the Department of Trade and Industry worth R12 billion to invest in the country (Fabricius, 2015:16). This motor plant investment is significant because it will add to the capacity of multinationals like Nissan, BMW and Toyota and the manufacturing output in South Africa and the automobiles will be exported to the rest of the continent and probably beyond. This is another example of China exporting her advanced industrial production capacity to South Africa.

Eskom is set to benefit from pacts signed between the two countries as the power utility company signed a cooperation pact with the China Development Bank for financing (Ka'Nkosi, 2015:17). The nuts and bolts of the pact have not been disclosed but this is all part of China's grand investment strategy on the continent.

#### **4.9 Conclusion**

South Africa's relations with China has been elevated to a Comprehensive Strategic Partnership guided by the Beijing Declaration on the Establishment of a Comprehensive

Strategic Partnership and the Five-to-Ten Year Strategic Programme for Cooperation (Department of International Relations & Cooperation, 2015). The aim of the strategic programme is to streamline the realization of the Beijing Declaration on the establishment of the Comprehensive Strategic Partnership.

## CHAPTER 5

### 5.1 Discussion and analysis of the study

This chapter discusses the research findings. The discussion is directed at reaching the objectives of the research and answering the research questions. This chapter will be divided into subsections so as to have a clear interpretation of the main study themes. The first section looks at the nature of China's engagement with Africa. The second section looks at the areas of political engagement between China and South Africa. The third section looks at the sustainability of the bilateral engagement between China and South Africa.

### 5.2 Findings

#### 5.2.1 Findings on the nature of China's engagement with Africa

The researcher discovered that China places a high priority on her ties with Africa. The relationship between China and Africa has evolved. During the Cold War China gave support to liberation movements on the African continent. The Sino-Soviet split played a role in the way China helped the liberation organizations on the continent. A researcher from the Centre for Chinese Studies had this to say:

Ties were quite strong with certain countries like Zimbabwe and Ethiopia because the Communist Party of China was supporting liberation movements in those countries and it could not support the movements Russia was supporting since both countries were on the verge of war since the 1950s because of the Sino-Soviet split. In South Africa's context China supported the PAC and Russia supported the ANC (Interview with a researcher from the Centre for Chinese Studies, 13/10/2015).

During this period South Africa did not have good ties with China because of its racist policies however, the Chinese gave support to the PAC in South Africa. One respondent from the University of Limpopo Turfloop revealed that:

China did not have sound government to government relations with South Africa during the Cold War. This is a position that was carefully taken by Beijing as a way of demonstrating its disapproval of Pretoria's brutal and inhumane system of apartheid. In this context China provided both military and political support to liberation movements in South(ern) Africa including PAC of South Africa and the ZANU-PF of Zimbabwe (Interview with a lecturer at the University of Limpopo Turfloop, 12/10/2015).

A respondent from the Human Science Research Council also had this to say concerning the support China gave to Africa during the Cold War:

China gave support to liberation movements as China identified with these movements because China had also experienced colonialism. There was also an economic dimension to the support China gave to Africa by constructing the railway line linking Tanzania to Zambia. In a nutshell China supported the non-aligned movement and this was self serving because China also benefitted when African countries supported China with votes at the UN (Interview with a researcher from the Human Science Research Council, 2/02/2016).

In the post Cold War era the nature of the relationship has changed. With Africa free from the yoke of colonialism, the engagement is now more economic with China heavily involved in the extractive industries on the continent. China needs Africa's mineral wealth to maintain her high growth rate and to lift millions of her citizens from poverty. One respondent from the University of Limpopo Turfloop had this to say about the current nature of the relationship:

Beijing is also extremely interested in Africa's petroleum and gas resources. Although minimal, you should remember that Africa's oil, particularly from the Gulf of Guinea region is one of the best because of the low sulfur content. It is evidently clear that Beijing's rush into Africa is driven by its economic

interests based on Africa's extractive industries. The increased level of industrialization and China's population requires natural resources to maintain. Unfortunately China lacks the natural resources and she has to explore external sources (Interview with a researcher from the University of Limpopo Turfloop, 12/10/2015).

One researcher from the Thabo Mbeki African Leadership Institute expressed this:

You have the Chinese government moving into the African space for specific interests. They try to make that public for the legitimacy of the partnership so you see a lot of initiatives into mining and infrastructural development and that is obvious for their resource needs. Informally you have other sectors of the Chinese economy which is called 'human capital' migrating from China to Africa on a smaller scale: you witness the opening of bars, spaza shops and food stores. The core is that there is a movement of skill and labour from one end of the earth to the other. This is all spun in a certain way and the west is intimidated by the notion of the China threat. A lot of the 54 states in Africa are neo-colonial in structure and function and this has created elites who are not servicing the needs of the African economy simply because they are linked to the metropolitan centres. The Chinese are perpetuating the same system (Interview with a researcher from the Thabo Mbeki African Leadership Institute 20/01/2016).

The importance of China-Africa relations cannot be overemphasized. Both parties see the value of the relationship and they appreciate the interdependent nature of it. A journalist at the Daily Graphic newspaper in Ghana who spent nearly a year in China as part of a Chinese government initiative to teach African journalists about Chinese journalism at the China Africa Press Centre attests to this reality when he said:

Sino-Africa relations are very important. Africa has gone through a lot, we were partitioned and colonized and this has affected our development, making us producers of raw materials destined for the west. With the emergence of China in Africa, the political economy of Africa is changing. The fact that China thinks we are important is making other powers to wake up and take us seriously. What the west could not do in the form of failed promises, China is able to deliver (Interview with a journalist from the Daily Graphic Ghana, 14/01/2016).

Another journalist from the News Agency of Nigeria who also participated in the China Africa Press Centre remarked that:

China-Africa relations are very important. China supported Africans during the liberation struggle and was there for many African countries. When Nigeria had the bitter civil war they came to our rescue. China sees the importance of Africa because of the support we give them in the United Nations Security Council. Now that they are developing economically they want to share their experience with African countries. The Chinese do not want Africa to be a dumping ground for their exports and are prepared to share their technical know-how with us (Interview with a journalist from the News Agency of Nigeria, 14/01/2016).

### **5.2.2 Findings on the areas of political engagement between China and South Africa**

A respondent from had this to say on the political engagement:

China's political engagement is designed to give her access to South Africa's mineral wealth. China acknowledges the fact that South Africa is such an important actor on the continent hence China's enhanced interest in South Africa. In China's

eyes South Africa is the gateway to the continent. China also has formal ties with South Africa in the form of BRICS (Interview with a lecturer from the University of Limpopo Turfloop, 25/11/2015 )

Another respondent remarked that:

China seeks to work hand-in-glove with South Africa to consolidate South-South cooperation as a means to unravel the dominance of Western countries in global governance. Although the recent downturn in the economies of both China and South Africa have germinated seeds for the fragmentation of BRICS, the truth of the matter remains that BRICS provides a framework for the countries in the South to launch an offensive against the dominance of the North in global political and economic governance institutions (Interview with lecturer from University of Limpopo Turfloop, 12/10/2015).

### **5.2.3 Findings on the sustainability of the bilateral engagement between China and South Africa**

A respondent said the following:

The reality is that the unequal power relations between Pretoria and Beijing will obviously ensure that the two countries don't benefit equally. To make matters worse the two countries cannot agree on the nature and form of the proposed reform of the United Nations Security Council. As such the two countries cannot win together at the political level as well. Economically Beijing's engagement with Pretoria has short term benefits for South Africa, but in the long run it will hurt. South Africa runs the risk of trading its economic sovereignty to China. South Africa is already brazing itself to teach Mandarin as one of the

subjects to be taught in schools against the backdrop of the marginalisation of African languages in the school curricular. This move serves no one, except the narrow and selfish interest of China (Interview with a lecturer from the University of Limpopo Turfloop, 12/10/2015).

A respondent had this to say about the sustainability of the relationship:

It is not a win-win relationship. For example there is the Beneficiation Act but minerals are being shipped in their raw form in Limpopo (Interview with a researcher from the Human Science Research Council).

### **5.3 Discussion of research findings**

The main research question that guided this study was how the engagement of China and South Africa impacted on the politics and economy of South Africa? The main research question led to a number of subsidiary questions: a) What was the nature of China's engagement with Africa?, b) What were the areas of political engagement between China and South Africa?, c) How sustainable were the bilateral engagements?, d) Were there possible recommendations?

- **Impact of the China-South Africa engagement on the politics and economy of South Africa**

South Africa and China have forged closer ties under the Zuma administration compared to his predecessor, ie the relationship has become more interdependent. However, politically, sometimes the relationship tarnished South Africa's image internationally, like when South Africa refused to grant the Dalai Lama a visa for fear of drawing the ire of China. In Inter-governmental organizations, South Africa's diplomatic cover for China which can be explained through the lenses of the theory of interdependence is also costly for South Africa since China has a record of associating with pariah regimes like the one in North Korea and committing human rights abuses on her own citizens. The interdependence theory aids the readers

understanding of how the BRICS framework and the nascent Beijing Consensus is making both Beijing and Pretoria champion the cause of the Global South for a fairer international economic order and this translates into a lot of clout for them when it comes to dealing with countries in the South. The relationship has had mixed results for South Africa economically. The country benefits from rising Chinese FDI but the dumping of cheap Chinese goods hurts the South African economy.

- **Nature of China's engagement with Africa**

The primary reason for China's engagement with Africa is to have access to Africa's natural resources which China needs for her industries. Even though African countries now have an alternative source of aid, loans and FDI, the pattern of the relationship is still the same as the traditional relationship with the West whereby Africa produces raw materials and imports finished goods from Europe. Africa's relationship with China can be said to be an asymmetrical interdependent relationship.

- **Nature of the areas of political engagement between South Africa and China and the sustainability of the bilateral engagements**

Political relations between the two countries are good with ties evolving from a strategic partnership to a comprehensive strategic partnership. State visits are exchanged between both countries in a bid to foster political ties. Internationally they cooperate in the BRICS organization and forums like the UN. Though interdependence defines the bilateral ties between both parties, the engagement is unsustainable in the long term considering the fact that South Africa is the weaker partner in the relationship economically with China's economy continuing to grow while South Africa's economy stagnates and experiences weak growth if it does grow.

- **Recommendations**

The Sino-South Africa relationship is skewed in favour of China because South Africa is weaker economically. South Africa exports cheap goods like mineral ores in a semi-processed or unprocessed state to China and imports high value goods from China. South Africa can add value to those exports by beneficiating the mineral ores she exports to China. The South African and Chinese governments can work together to ensure the South African market does not

become a dumping ground for Chinese exports. The two government found an amicable solution to the textile imports from China that were hurting the South African textile industry some years ago. The relationship is mutually beneficial albeit unequal and both governments must work together to make it sustainable in the long term.

#### **5.4 Conclusion**

China enjoys good ties with the continent and South Africa which has evolved over time. During the Cold War era the relationship was mainly political with China giving support to liberation movements on the continent. In the post-Cold War era the relationship has taken a more of an economic dimension which is mutually beneficial, albeit unequal. The next chapter concludes the study.

## CHAPTER SIX

### 6. Conclusion

#### 6.1 Introduction

One of the key developments in the 21<sup>st</sup> century dispensation is the rise of China as a competitive global power, both economically and politically. China has made some inroads in the context of the political economy of Africa respectively. This has also been amplified by the quest for South-South cooperation as evidenced by the formation of BRICS. The rise of China to the economic and political stage has not been without controversy, hence the focus of this study. Using South Africa as a test case, the study explored the economic and political effects of the rise of China in Africa.

This final chapter serves as a conclusion to this research. This will be done by giving an overview of the research.

#### 6.2 Overview of the research

In order to determine the effects of the rise of China on the political economy of Africa using South Africa as a case study, this thesis was divided into five chapters: an introductory chapter, four chapters, and this chapter.

Chapter one introduced the study by providing a background to the study, stating the research problem, and asking the research problem that needed to be answered. There was also a preliminary literature review to examine scholarly work on China- Africa relations and related scholarly work that had a bearing on this thesis. The preliminary literature review was divided into the following sections: the rise of China, reasons for Africa's economic underdevelopment- which were blamed on colonialism, the structural adjustment programme and globalization-China-Africa relations in the traditional discourse, China- Africa relations in the contemporary discourse and China-South Africa relations. The research design and methodology were examined and the subsequent chapters were outlined.

The second chapter was the literature review and the conceptualization of the study. The preliminary literature review in chapter one was expanded. On the section on the rise of China; the

literature review informed readers that China had a great past in ancient times but went through a long period of decline. She is rising again to rival the West and this is upsetting the international order.

Empirical evidence shows that a country on the rise to become a major power can cause economic and security conflicts and Germany was given as an example. It was discovered that China made naval patrols in the South China Sea and was creating artificial islands to build military bases so as to have a permanent presence in this stretch of ocean which is resource-rich. The researcher asked if China's charm offensive into Africa will continue to be pacific in the long term considering her belligerent actions in the South China Sea which is making her neighbours nervous. Scholars like Fijalkowski (2011), however see an opportunity for Africa in China's rise and has admonished Africa to learn from China's economic model.

On the section on Africa's economic underdevelopment colonialism was blamed as one of the culprits. The colonization of Africa was a continuation of the economic relationship between Europe and Africa which was in the form of the trade that commenced with the Portuguese expeditions. Colonialism had lasting effect on Africans by changing their modes of thought and political structures.

The Structural Adjustment Programme is another reason for Africa's underdevelopment. African states have had SAPs imposed upon them by IFIs in an effort to help them to meet their debt obligations and these SAPs have failed to move the balance of payments of African states from negative to positive. Globalization was also identified as another culprit that has hindered Africa's economic development. Charlick (2000) claims that for Africa, globalization has largely been a curse because it has not benefitted Africans. One of the reasons is because globalization wants to do away with all national barriers to free trade at a time when Africa desperately needs to protect her markets and industries.

On China-Africa relations, the researcher traced traditional Chinese engagement with Africa to the period after the communist revolution of 1949 when the Chinese lent support to African liberation movements in their struggle against colonialism. Angola and Zimbabwe were highlighted as two countries that received help from the Chinese during their liberation struggle. This era of engagement with Africa ceased in the 1980s because Beijing had her focus on economic reforms and she did not have an appetite for grandiose foreign policy initiatives.

This chapter traced the year 2000 as a watershed period in China-Africa relations. The Cold War had long ended and China's economy was fast growing and Beijing needed access to Africa's abundant natural resources, especially energy resources. Currently the cooperation is between emerging economies like China and Africa and it is in the economic sphere and this has created diversified sources of aid and trade patterns. However detractors in the West are quick to condemn such relationships saying China puts commercial concerns above good governance.

The economic relationship is skewed in favour of China, with Africa producing raw materials in exchange for manufactured goods for China, with Melber (2008:394) highlighting that international trade patterns have not changed in spite of new actors. The literature review also addressed Sino-South Africa relations which was the test case for this thesis. It was stated earlier that South Africa's foreign policy changed course in the aftermath of apartheid. In post 1994, South Africa established diplomatic ties with China and other African countries. As a matter of fact China has come to occupy a very important role in South Africa's foreign policy. Apart from the economic reasons which spurred Pretoria to forge ties with Beijing, one other consideration is the sense of South-South solidarity. Both parties see themselves as developing countries who have been exploited by the West during the colonial era and they both want to challenge what they reckon to be a Western dominated world.

The theory that was used to explain the Sino-South Africa relationship was the interdependence theory. The work by Keohane and Nye (1989) is seminal to our understanding of the theory of interdependence. Both scholars state that we reside in an interdependent world and this reality has altered our concept of power which is at the core of the realist theory. They defined interdependence to mean mutual dependence among nations, and the theory in international relations means reciprocal effects among states. China and South Africa have an interdependent relationship: both countries belong to the BRICS grouping which has facilitated increasing political and economic ties between the two countries.

Chapter three was an exposition on Sino-Africa relations. Traditional Sino-Africa ties were forged in the aftermath of the Communist Revolution of 1949. The nature of the relationship was not the same as the present one. During that time China wanted to export her brand of communism to other developing countries and she was not economically strong as she is today so the economic

engagements were few, albeit there were some economic initiatives like the construction of the railway line linking Zambia and Tanzania.

Currently China's economic interests on the continent have relegated her political interests. Of course, political relations have to be forged in order for China to have economic relations with Africa. In an effort to obtain the political allegiance the African continent China has constructed a \$200 million headquarters for the AU. The year 2000 marked a watershed year in Sino-Africa relations. Alden *et al.* (2008:1) label the year China's 'Year of Africa' as ties took on unusual prominence with the Chinese foreign minister of the time visiting multiple countries in Africa and in November of that year, China hosted FOCAC 3. China's economic engagement with Africa has had mixed results for the continent. African countries have benefitted from Chinese FDI and trade but it has in no way altered traditional trade patterns that have seen African countries exporting raw materials and importing finished goods.

Chapter four was an exposition of China-South Africa relations. Since the commencement of diplomatic relations in 1998, bilateral ties have grown from strength to strength. Both countries have established a Bi-National Commission to guide and coordinate ties between them. Relations have not always been on a firm footing. During Thabo Mbeki's presidency South Africa's foreign policy was focused on the continent with continental initiatives like NEPAD and the administration courted G8 countries for trade and investment to the neglect of China. Zuma's presidency however, has witnessed closer ties between China and South Africa. Chapter five was a write-up of the views of respondents interviewed for the thesis and a discussion of the findings.

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