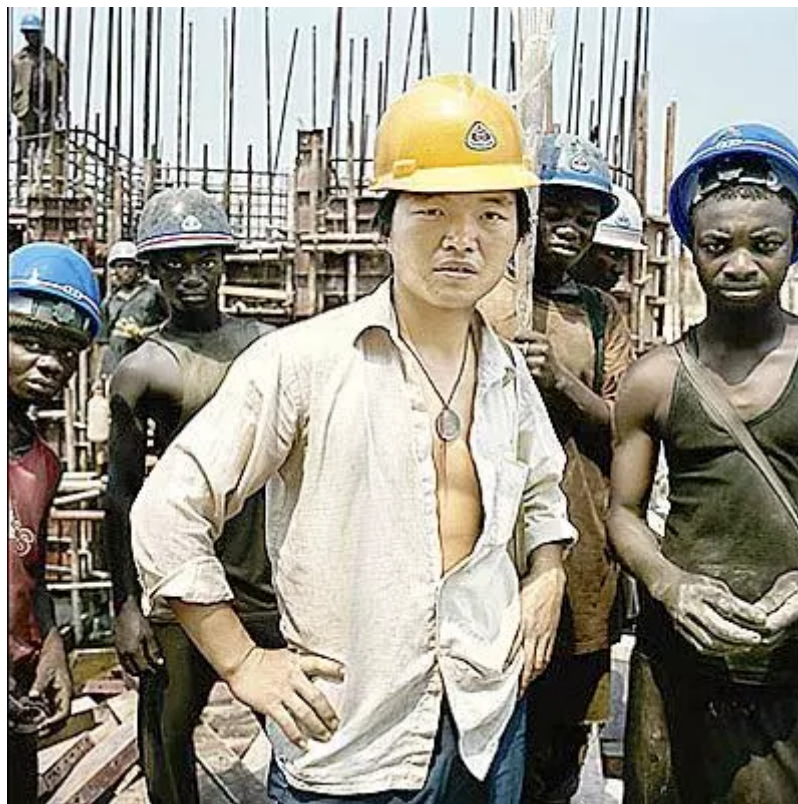


Africa and China: How it all began

This is the first of a series of articles looking at one of the most talked about issues in Africa right now – China's ever-burgeoning investment in the continent. In this post, LSE's Dr Chris Alden looks at how China's interest in Africa was born.

The rise of China, from a stalwart of revolution in the 1950s to its emergence as a significant global actor in the last decade, is one of the defining features of the 21st century.

China's forthright engagement with the African continent, built upon their historical support for the independence struggle and increasingly the economic power wielded by Beijing, has helped re-ignite continental economies through new investment and trade opportunities as well as restore African political agency within the international system.



Since the onset of economic reform in 1978, China has had an unmatched record of sustained growth that has transformed key sectors of its economy into the globe's leading site for manufacturing and production.

To keep the high levels of domestic output, seen to be crucial not only for the Chinese economy but for overall social and political stability in this authoritarian state, the economy needs critical energy, mineral and other resources from abroad.^[1]

The promulgation of the government's 'going out' strategy, whereby ultimately over a hundred restructured state-owned enterprises were given the legal and administrative means, preferential access to finance, and diplomatic support necessary to break into markets outside China, has been the main policy response to this need.

Given the financial resources of what, in the aftermath of the global financial crisis in 2008, had become the world's largest holder of capital with over US\$2.4 trillion in foreign reserves and

applying these to the problem of carving out a position in the energy and strategic minerals markets was, in retrospect, fairly straight-forward in a capital-starved African environment.

Concurrently, the willingness of the Chinese government to provide a whole package of inducements alongside any leasing or supply agreements for resources, aimed at elite defined needs ranging from presidential palaces to large-scale infrastructure projects, has proved to be crucial to securing deals in Africa.^[ii]

Underlying this approach is a highly publicised provision whereby the Chinese government forswears any interest in the domestic affairs of African governments, in direct contrast to the European Union (EU) or the United States (US), both of whom have selectively applied conditions to their development assistance programmes and even some investments.

In parallel with this state-led drive for resources abroad is a search for new markets aimed at expanding the investment and trade opportunities for Chinese firms though the relatively small size of the African market poses some constraints on Chinese ambitions. And, finally, there is a diplomatic imperative tied to the decades of competition between Beijing and Taipei over official recognition with countries in Africa being particularly targeted.

At the same time, as these interests have become more embedded and, concurrently, China's own status as one of Africa's leading trade and investment partners recognised, the pressure on Beijing to initiate appropriate policy responses to the complexities of fragile and post-conflict environments is growing.

This can be seen most vividly in the high profile case of Sudan, where Chinese finance and construction projects have taken place against a backdrop of armed conflict, initially in the south but more recently in the western Darfur region.

Responding to African and Western criticism, of its role in Sudan and self-interested motivations produced by a more complex role in Sudan, China's engagement has evolved from one of the narrowest pursuits of self-interest to active involvement in international efforts at conflict resolution.

At the same time, Chinese involvement in other fragile and post-conflict states such as Liberia, Angola and the Democratic Republic of Congo – under circumstances often as challenging as those in Sudan– has not received the same level of attention or scrutiny.

Indeed, as a newly established external force in Africa, the expectation of Africans and the international community alike is that, as Beijing's exposure to fragile and post-conflict environments will continue to be an important feature of its engagement, China will need to become more directly involved in managing these complex terrains.

While China has yet to produce a formal policy aimed at addressing the problems of fragile and post-conflict African states, like so many of its initiatives, the basis for such an approach is already taking shape through two clearly discernible trends: practical peacekeeping, as has been seen in Liberia and quick impact financial reconstruction packages as has been seen in Angola.

[i] See, for instance, Erica Downs, 'The Energy Security Debate', *China Quarterly*, No. 177, March 2004, pp. 21-41; Ricardo Soares de Oliveira, 'Making Sense of Chinese Oil Investment in Africa' in Chris Alden, Dan Large, Ricardo Soares de Oliveira, eds., *China Returns to Africa: an emerging power and a continent embrace* (London: Hurst 2008), pp. 83-109.

[ii] For further details on this, see Chris Alden, *China in Africa* (London: Zed 2007), pp. 11-36.

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