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Resurgent continent?: Africa and the world: emerging powers and Africa

Report

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Emerging Powers and Africa

Spurred on by the global financial crisis, leading emerging states such as China have taken an increasingly commanding role in global economic affairs in response to the trauma experienced by Western industrialised states. Nowhere is this trend more evident than in Africa, a continent traditionally regarded as sitting on the margins of the international political economy by the industrialised North. Over the last fifteen years, emerging powers have made significant inroads into Western political and economic dominance in Africa. The result is a diversification of external actors involved across a range of sectors of the African economy with much of this interaction being framed in terms of new forms of multilateral and bilateral arrangements. Driven by a need for resources and markets, these emerging powers nonetheless are acutely conscious of their own development challenges and, correspondingly, those facing Africa. Each reconciles changing global status and economic interests in Africa with their putative normative commitments to South development using differing modes of engagement with the continent. The changing dynamics of Africa's international politics in relation to three of the leading emerging powers, namely China, India and Brazil, have enormous implications for Africa and its development aspirations.

'Emerging powers' is a phrase coined to describe a new group of states which has through a combination of economic prowess, diplomatic acumen and military might managed to move away from developing country status to challenge the dominance of traditional mainly Western powers. China, India and Brazil have at various times openly declared their economic interests in gaining access to African resources and (to a lesser degree) markets; all have used a combination of public and private sector means to achieve these aims. At the same time, as developing countries themselves, all three have felt compelled to use at least the rhetoric of South solidarity – and arguably its substance – in justifying their accelerating economic presence in Africa. Although these emerging powers have provided longstanding (if relatively small) development assistance to Africa over the years, they have so far shunned some key features of OECD official overseas development practices in applying what they prefer to characterise as forms of South-South cooperation.

What is the relationship between particular emerging powers and African states? How do emerging powers explain their relationship with Africa? How do they balance foreign policy concerns and economic interests in their Africa policy? How do these emerging powers manage activities of their national economic actors operating in Africa? The evolving nature of relations between emerging powers and Africa has thrown up both the difference and similarities experienced by these powers and African states, as well as the challenges and risks that differing approaches hold for African development.

CHINA'S DUALIST APPROACH

China's role in Africa has received considerable attention in recent years. Since the onset of the domestic reform process starting in 1978, Maoist faith and revolutionary altruism have given way to the consciously self-interested commercial entrepreneurs and advocates of forms of market capitalism. As Africa's second most significant trading partner in aggregate terms and provider of large loan packages in exchange for provisions for infrastructure, as well as an increasingly important investor in financial services, China is easily the largest of the emerging powers operating in Africa today.

China's declared position is that its ties with Africa are based on explicit declarations of historic connectivity, political equality, respect for sovereignty, non-intervention and in economic matters, mutual benefit. China frames the relationship in the form of a multilateral diplomatic initiative, the tri-annual Forum for China-Africa Cooperation (FOCAC), while the details of its implementation are overwhelmingly bilateral arrangements. Negotiated loans, grants and investments have allowed African governments a role in setting the agenda for the relationship, for example in prioritising particular sectors or projects. Beijing likes to point to the constancy of Chinese solidarity with African interests, especially during the anti-colonial struggle, as well as their shared history as victims of imperialism as producing the requisite conditions for a common outlook. A pre-colonial episode, the voyages of Ming dynasty Admiral Zheng He to Africa in the early 15th century, has been retrieved to underscore China's benign intentions towards the continent.

Given the diplomatic imperative of countering Taiwan's drive – now muted under the current Guomindang government – for official recognition in Africa from the 1950s onwards, the Chinese government has had to ensure that it has a continent-wide approach to Africa. At the same time, the bulk of China's economic interests are focussed in the leading African resource economies, namely Angola, Sudan, Nigeria, and Republic of Congo, as well as the more diversified South African economy. Beijing's dualist approach – multilateral through FOCAC and bilateral in terms of implementation of specific forms of cooperation and investment – is tailored to provide a means of addressing both sets of concern for China.

There is a belated recognition by Chinese officials that not all Chinese economic actors have been operating in ways that promote mutual benefit for China and Africa. Official admonishments to abide by local government laws and regulations, combined with an effort to introduce aspects of the Corporate Social Responsibility (CSR) agenda into the conduct of leading State Owned Enterprise (SOE) and major Chinese corporations are seen to be sufficient palliatives. With regard to smaller private Chinese firms, however, the ability of Beijing to control their actions is relatively limited as these operate in Africa without utilising the conventional sources of finance and consciously seek to act outside of the reach of the Chinese state. Nonetheless, the weakness of some African states' ability to enforce their own regulations is in many ways a fundamental problem in this area. This has not stopped the local media from trenchantly criticising the conduct of some Chinese firms. A growing dilemma for the Chinese government is how to protect and preserve its established economic interests without being seen to violate sacred foreign policy principles such as non-interference. One response has been to distinguish between intervention legitimated through multilateral institutions such as the United Nations with the concurrence of African governments, from those actions that lack these elements. Finally the role of unlimited Chinese migration to Africa, though small compared to migration to other parts of the world, nonetheless has aroused concern in some African communities and casts a shadow over local perceptions of Chinese intentions.

INDIA – LEGACIES OF DECOLONISATION

India's position in Africa has some of the deepest historical and social roots of the three emerging powers. Though trade ties with the sub-continent formed part of an extensive commercial network across the Indian Ocean from the 9th century onwards, India's contemporary relationship with eastern and southern Africa is rooted in the history of British colonialism and the resultant migration of Indians to the continent. This legacy has shaped ties between the two regions, fostering concurrently strong social links between communities; however, these ties have been offset by limited trade ties as well as episodes of antagonism and neglect in Indian-African relations.

India's relationship to Africa is cast in terms which emphasise the political affinity between the sub-continent as one of the first decolonised countries in the post WWII era and the parallel nationalistic aspirations of Africa, as well as their common development status. Like China, India supports non-interference into state sovereignty and emphasises South-South cooperation, but its status as a thriving democracy makes it more sympathetic to the developmental and governance dilemmas facing equivalent states. India provided crucial diplomatic support and solidarity in the United Nations to emerging African nations, although it stopped short of supplying arms for anti-colonial and liberation movements. Technical and modest development assistance was established in the early 1970s. What has set India apart from the other emerging powers is the historical presence of a substantial Indian community in parts of the continent. Indentured Indian labourers were brought to the Natal colony in the mid 19th century to work

on sugar plantations while newly occupied British East Africa hired Indians to build the railroads. Merchants followed in their wake, establishing a pattern of migration to Africa which has fostered trade and investment between India and parts of Africa for generations, albeit at a fairly modest level. Indian foreign and economic policy tended to neglect Africa during the 1980s and only as its own domestic economy began to take off in the early 1990s did Delhi start to seek out commercial opportunities in the continent.

While India's economic interests in Africa have been focused on Eastern and Southern Africa, in 2007 these primarily private commercial concerns received a significant boost from state support. A government-launched multilateral forum, the India Africa Summit involving 15 African countries and Delhi, committed itself to raising its credit line for Indian businesses to US\$5.4 billion, to providing US\$500 million in grants for development cooperation, improved market access to African exports, training for over 1500 Africans in Indian universities and improvements in defence cooperation. The IBSA (India, Brazil, South Africa) forum launched in 2003 builds on long-standing close ties with South Africa and in recent years Delhi has hoped to enlist African support for its positions in the WTO and in the reform of the United Nations Security Council. The presence of the Indian communities scattered on the African littoral once caused Prime Minister Indira Gandhi to remark that they were 'India's ambassadors' to Africa; this attitude dominated traditional official thinking in Delhi. Yet repeated manifestations of 'anti-Asian' sentiment – for example, Idi Amin's expulsion of Ugandan Asians in the early 1970s – have confronted the Indian government

with the challenge of how to reconcile providing at least diplomatic support for these long-established settlement and associated interests, and Delhi's more contemporary set of commercial interests in Africa.

Unlike China, whose entry into Africa was marked with much fanfare and led by its state-owned enterprises, the Indian presence on the continent has always been led by entrepreneurs and private business interests. Private firms have raised capital to open businesses in Eastern and Southern Africa, with two way trade to the East African community reaching US\$1,343 million in 2007 while India-South African trade was worth US\$6 billion in 2007. Indian firms such as Tata and Vendata mining, and a range of pharmaceuticals, are driving the large investments and capturing market share in traditional East and Southern African regions as well as new markets in West Africa as well. This emphasis on private business recently altered when India's state-led Oil and Natural Gas Company (ONGC) launched a series of bids to take up a place in the African energy sector. While there were examples of cooperation between India and Chinese state owned enterprises such as in Sudan, competition with China brought about a new public-private bidding process, with ONGC joining together with Mittal Steel to produce a comprehensive bid for a lease in Nigeria in 2006. Geo-strategic concerns are also influencing Indian actions. For instance, the Indian navy has become more active in the northern Indian Ocean – going so far as to attack Somali pirate activity – and it has sought to use IBSA to develop joint naval operations with its partners in the Indian Ocean.

Of the three emerging powers discussed here, Brazil is the least involved in Africa. This is paradoxical because Brazil's historical origins owes much to Africa, due to the role of the Atlantic slave trade and its part in the wider commercial network of the Portuguese empire. Until fairly recently, Brazilian foreign and economic policy's historical focus on North America, Europe and South America has relegated ties with Africa to the margins. The principle consequence of this lack of active engagement in Africa is that Brazil has lagged behind China and India in formulating and implementing a comprehensive Africa policy. Thus although it is in the process of expanding its commercial and financial ties, Brazil's trade with Africa remains relatively low and focused on only a few countries, whilst at the very same time that Brasilia has actively sought to elevate and integrate Africa into its global foreign policy. The evolution of Brazilian foreign policy over the last sixty years has produced differing policy approaches to Africa. There is a continuum of Brazilian foreign policy towards Africa in the commitment to respect sovereignty and non-interference in domestic affairs. Underlying Brazil's Africa policy is a desire to prioritise Brazilian developmental and commercial aims in approaching the continent while at the same time responding to broader foreign policy ambitions. In the period between 1945 and 1974, this manifested itself as a policy of general (though not uniform) diplomatic support for French and Portuguese positions in Africa in settings such as the United Nations. This approach was guided in part by mercantilist needs of securing European investment in the Brazil economy as well as accessing its markets, and culminated in particularly close ties with Portuguese territories as well as strong trade ties with apartheid South Africa. With the collapse of the Portuguese empire in the mid 1970s, Brazilian foreign policy reached out to the rest of Africa diplomatically but essentially remained confined in economic terms to Lusophone Africa, Nigeria and South Africa. The contemporary government of Lula da Silva, has actively reversed the decline in ties under his predecessor, and emphasises Brazil and Africa's shared historical standing as developing countries. The Lula government has also stressed the cultural affinities of Brazilian society with Africa, built on the shared experiences with Lusophone Africa and the influence of Brazilians of African origin. It is notable that Lula has traveled to Africa more than seven times in five years in office.

A key aim of Brazilian foreign policy under Lula da Silva has been to 'reduce Brazilian vulnerability on the international stage' by engaging in a more 'muscular foreign policy' to pursue its interests. With respect to Africa, this has meant that Brazilian foreign policy has rediscovered its 'Atlantic vocation', framing it within this broader concern of responding more effectively to globalisation. Brazil's Africa policy reflects this impulse in that the most significant diplomatic initiatives that involve Africa are multi-lateral while the substance of economic activity is played out at the bilateral level. A key initiative is the IBSA (India, Brazil, South Africa) initiative, a diplomatic partnership initially focused on mutual support for a position in a reformed United Nations Security Council. This multilateral approach has been expanded into other areas: the Community of Portuguese Speaking Countries (CPLP) has become another global diplomatic vehicle for extending Brazilian influence across Lusophone Africa. Private Brazilian commercial interests are active primarily in Angola, Mozambique and South Africa; Brazilian multinationals have also made a concerted effort to break into areas such as Gabon and Nigeria. In Angola, for instance, Brazil's two-way trade has jumped to over US\$1 billion in 2007 and the country is the leading destination for Brazilian investment in Africa, receiving US\$750 million in 2006 alone.

The commercial focus of Brazilian enterprises, mostly through the activity of large private firms such as Vale and Odebrechts, initially entered the African market without significant Brazilian government support. The Brazilian mining giant, Vale, convinced President Lula to lobby the president of Gabon directly to support its iron ore lease, citing the Chinese approach of linking state diplomacy with commercial interests; thus a new form of direct political engagement to Brazil's approach to Africa has emerged. Moreover, state firms such as Petrobras are embarking on joint ventures in Africa, with Petrobras and Angola's state owned oil company Sonangol exploring training and cooperation in exploration of oil.

CONCLUSION

In many ways, China is the emerging power which makes the most extravagant claims to formulating a relationship that is strategic in its aims, equitable in its political engagement and founded on the notion of a common conception of political history. Beijing has also constructed the most comprehensive approach to the continent, again in part reflecting the diplomatic imperatives of competition with Taiwan, as well as the resource needs of sustaining China's own economic growth and associated domestic political stability. China's profile in Africa has come at a cost however, as it has had greater exposure to risk across the continent and had to bear more international criticism than either India or Brazil (although their policies and the behavior of their economic actors may be equally open to criticism). Some African and Western liberal critics point to the manner in which China's trade with Africa replicates features of traditional Western colonial trade for African resources in exchange for manufactured goods. China adamantly claims that this economic asymmetry does not alter the overall positive and equitable framework of China-Africa relations. This evocation of 'Chinese exceptionalism' – that Chinese supposedly unique approach to Africa ensures that the relationship will remain equitable and non-exploitative – remains controversial. It must counter the misperceptions within African societies and local rival businesses of Chinese commercial and foreign policy aims; this places a greater burden 'of proof' on the Chinese in a way that neither India nor Brazil, with their more narrow approaches to the continent, face in pursuing their economic interests.

Despite its longstanding political and socio-economic engagement and socio-economic terms, India's contemporary active drive for engagement in Africa is relatively new. It is clearly being influenced by China in developing the multilateral forum and even in the modes of financial initiatives and commercial deals. However, there is little evidence that Delhi aspires to play the Chinese continental-wide role. The role of local communities of Indian origin, which maintain links to the sub-continent, remains a problem and Delhi vacillates as to how much to emphasise these ties in shaping its overall Africa policy.

In the case of Brazil, despite the pressure to increase Brazilian involvement in Africa, much of what has been done still reflects Brasilia's primary concern for integrating its Africa policy in the service of broader foreign policy aims. Whereas in the past this produced an orientation which saw more developmental and political benefits accruing by engaging with the industrialised countries of the North (to the detriment of Africa), under President Lula the shift towards enhancing South-South economic and diplomatic cooperation is linked to Brazil's larger international ambitions and fears of globalisation. Concurrently, the focus on Lusophone Africa, where Brazil arguably has an advantage over other external actors, ensures a neat juxtaposition between the cultural-historical dimensions of Brazil's Africa policy and its current commercial interests.

As the leading emerging power in Africa, China seems to be setting the pace and example for India and Brazil which to varying degrees have adopted elements of the Chinese approach to Africa. Even Western states and companies are reviewing their approach, witnessed by the changes at the EU-Africa Summit in Lisbon in 2007 and the call in the United States for a more high profile presidential engagement in Africa policy. There are signs that the newly acquired economic prowess of emerging powers and its accompanying political dimensions may result in a kind of proxy conflict in Africa, echoing the European conflicts of 19th and 20th century; for example, the stiff competition between Chinese and Indian companies for commercial rights to oil in Sudan and Angola. This might suggest that Western interests, be they commercial or normative, are in the decline in Africa; but the selective engagement of the United States and the residual presence of European interests will remain a feature of external relations for African states.

It is ironic that China, in particular, has taken advantage of economic liberalisation in Africa associated with Western structural adjustment programmes of the 1980s and 1990s, rather than Western financial and commercial interests. The relative flexibility and lack of conditionalities, speed of decision making, and less-risk adverse approach of Chinese investment corresponds more closely with African identification of local developmental needs. China's greater willingness to work with existing imperfect institutions may result in the reinforcement of African elites: looked at another way, we may be seeing the emergence of alternative state structures based on a loose Chinese model of development, and an alternative state discourse that shifts away from the primacy of democratisation to promote economic growth and development. Thus, the emerging powers are set to shape the economic and perhaps even the political fortunes of Africa in the 21st century. ■