CHINA’S ETHICAL QUANDARY IN SUB-SAHARAN AFRICA: THE MOUNTING COSTS OF OPPORTUNISM

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ABSTRACT

China’s quest for raw materials to fuel its growing economy has ushered in an unprecedented push to secure reliable sources of key commodities. In furthering this objective, China’s economic, diplomatic, and cultural relations with Sub-Saharan Africa remain shrouded in contradictions. While some observers see Beijing’s actions as the work of an altruistic partner eager to help shoulder the burden of underwriting infrastructural improvements long ignored by the West, others view China as little more than a calculating opportunist.

As part of the thesis, three themes specifically addressed include, 1) identifying the factors that influence China’s relative ease at gaining economic and political footholds in some countries while being rebuffed in others, 2) analyzing the legal and ethical consequences of China’s African overtures, and 3) assessing the impact (both short and long-term) of expanding Sino-African relationships and are the intended benefits (as perceived by each party) being outweighed by the costs.

While the subject of China’s escalating role in Africa has received considerable attention in recent years, recent literature has heavily focused on
the economic aspects of the relationships while giving scant attention to other important considerations such as the ethical dimension. This study begins with an analysis of the contemporary economic environment surrounding Sino-African trade, continues with an assessment of the past and present political climate, then (employing ethical models representing the realist, utilitarian, and Kantian traditions) assesses China’s actions against these three approaches. Lastly, the resulting short and long-term impacts of the evolving relationships are analyzed followed by some conclusions.

For all the gains being mutually realized by both China and Sub-Saharan Africa over the short-run, a number of mounting problems threaten to unravel these developing relationships in left unchecked. China’s selective adherence to local laws, its undermining of reforms aimed at improving good governance practices, and its opportunistic pursuit of an agenda increasingly perceived by many as self-serving (while going to considerable lengths to convince Africa otherwise) combine to potentially undermine the very relationships that have become some vital to each party.
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INTRODUCTION

China’s economic, diplomatic, and cultural relations with the 48 states that comprise Sub-Saharan Africa are shrouded in contradictions. While some observers see the Asian giant’s actions as the work of an altruistic partner eager to help shoulder the burden of underwriting infrastructural improvements long ignored by the West, others view China as little more than a calculating opportunist whose professed espousal of non-interference in the internal affairs of other nations represents nothing more than a convenient cover for rationalizing its questionable relationships with some of the world’s most despotic regimes.¹ As is often the case, the truth likely lies somewhere between the two extremes of this continuum.

What is clear is that China’s quest for the requisite raw materials essential for fueling its burgeoning economy has ushered in an unprecedented push to secure reliable sources of key commodities. In advancing this objective, it has demonstrated a willingness to forge economic and political ties with virtually any African nation irrespective of its degree of commitment to human rights.² While China (seemingly unburdened by ethical preoccupations) may be benefitting from its unrivaled maneuvering freedom, the longer-term consequences of its actions come with a price.
For China, the present competitive environment of Sub-Saharan Africa is as varied as its constituent nations. The economic and political footholds it has established through its enduring relations with rogue regimes such as Zimbabwe and the Sudan have not always taken root in its dealings with more responsible states such as Botswana and Zambia. At the same time, however, for a third category of African states that includes Angola and Nigeria, China’s interests appear to be advancing concurrent with those of more established western industrial players.

As China’s footprint in Africa has expanded in recent years, so too has the body of academic literature relevant to this thesis. Ian Taylor’s “China’s New role in Africa”, for instance, is especially noteworthy not just for its comprehensive research of the evolving economic dynamics between China and Africa, but also for its thought-provoking discussion surrounding China’s ultimate intentions in the region, including instances when its actions stray from its rhetoric.

Equally revealing is Pádraig Carmody’s “Globalization in Africa: Re-colonization or Renaissance?” for its balanced analysis concerning the degree to which Africa’s burgeoning commercial relations with China and other key economic powers is improving the economic well-being of most Africans. Along with his detailed coverage of the contrasting business climates of Chad, Sudan,
and Zambia, Carmody explores other relevant issues such as whether the underlying causes for Africa’s languishing economic development stem chiefly from factors like inadequate infrastructure or instead from human factors such as the exploitation of the seemingly endemic corruption prevalent in many regions of the continent.

For an even deeper historical chronicling of China’s involvement with Africa, Deborah Brautigam’s “The Dragon’s Gift: the Real Story of China in Africa” sheds additional light on the topic by focusing on how China’s involvement contrasts with that of the west. Though many will take exception to her almost invariably sanguine depiction of China’s involvement in Africa, her thorough coverage of the unique elements of China’s aid administration combined with her defense of China’s diplomatic and economic policies presents a set of conclusions that, at times, strays from those widely held by her peers. As a result, her arguments serve the useful purpose of strengthening the analytical underpinnings of this thesis.

Building on contemporary scholarly research as well as an assortment of other primary and secondary sources, this thesis aims to investigate a number of increasingly relevant issues hitherto left largely unexplored. Specifically, the paper will examine the underlying factors behind China’s relative ease at gaining economic and political access in some states while simultaneously is finding its
overtures in others rebuffed. Additionally, along with assessing the legal and ethical consequences of China’s African overtures, this thesis will investigate which factors tend to most readily affect a country’s susceptibility to overseas corrupting influences. Lastly, the thesis will assess the impact (both short and long-term) of expanding Sino-African relationships to help discern whether the benefits (as perceived by each party) are being outweighed by the costs.

Organizationally, given the overwhelming importance of international trade in understanding the actions of the respective players, the economic dimension of Sino-African relations will be the central focus of the first chapter. Here, the underlying motivations behind China’s trade with the region will be compared to Africa’s motivations for expanding trade with China. After establishing this foundation, the thesis will address what factors, if any, make China’s trade with Sub-Saharan Africa unique.

In Chapter 2, the attention will turn to the political arena. Here, the chief focus will center on identifying China’s principal foreign policy objectives in the region. Specifically, China’s bilateral strategies with Zimbabwe, the Sudan, Botswana, Angola, and Nigeria will be explored to help illuminate both common themes as well as expose key differences in China’s foreign policy practices amongst varied political environments.
Next, Chapter 3 will explore the ethical dimension of China’s expanding African presence. In contrast to the legally-focused analysis largely characterizing the work of leading African scholars, this chapter will instead examine the extent to which China’s responsibilities to its citizenry should govern its activities in Africa. Separately, the question of whether China has responsibilities to the international community will be addressed. If it has such responsibilities, what are they? Perhaps even more perplexing, “what should China do if its responsibilities to the international community conflict with its responsibilities to its own population?”

While a number of varied ethical standards could undoubtedly be applied to these questions, this thesis will focus on three: realism, utilitarian consequentialism, and Kantian idealism. Put simply, should China’s dealings with Sub-Saharan Africa be chiefly driven by enlightened self-interest, the desire to achieve “the greatest good for the greatest number,” or should a set of higher moral standards govern its affairs, even if it entails some limitations on the pursuit of happiness for the larger population.

In Chapter 4, the attention will turn to assessing the impact of expanding Sino-African trade. First, the unique experiences encountered in selected African states will be examined from two perspectives. To what extent have these states realized the intended benefits of their relationship with China along with
what, if any, unintended consequences have they encountered in the process?
Similarly, the overall impact to China will likewise be explored. To what extent
has it realized its commercial objectives and what unintended consequences has
it encountered as a result of its expanded economic presence in the region?

Finally, Chapter 5 will serve as the concluding section of paper linking the
analysis that precedes it back to the original three questions central to the
thesis. Along with tackling these issues, suggestions for future research will be
offered.

Prior to commencing the discussion on the economic dimension of Sino-
African relations, a few clarifying points are in order. The first centers on the
characterization of China itself. While the striking diversity of each African state
will be a recurring theme in the paper, the reader should not be left with the
impression that modern “China” represents a monolithic state whose every
movement reflects the carefully-scripted choreography of the central
government. The realities of modern China are considerably more complex.

As Ian Taylor notes, “bureaucratic interests, domestic policies, corruption,
and other pathologies of China’s capitalist development, as well as the increasing
diversity in Beijing’s foreign policy procedures, all coalesce to undermine the
notion of a unitary Chinese state relentlessly pushing forward a single agenda, in
Africa or elsewhere.” Due to increased competition between state agencies,
the erosion of the state’s ability to dictate (and subsequently enforce) policy is steadily diminishing. This changing backdrop needs to be considered whenever the concept of a tightly controlled “China” is suggested.

Secondly, though the focus of this thesis primarily centers on the actions of one international player in Sub-Saharan Africa, the activities of a host of other more entrenched industrialized entities precede (and in some cases) eclipse the magnitude of China’s involvement. By focusing on the behavior of China, the paper by no means is intended to ignore the questionable legacies of other international actors in the region.

Whether describing the actions of the former European colonial occupiers or those of some western industrial powers, the history of Sub-Saharan Africa sadly is replete with unsavory behavior from outside actors. The extent to which China’s actions may sometimes appear to mirror these practices presents a special problem. To some, evidence of such parallels often leads to a disturbing posture of moral resignation. After all, if China is found to be acting essentially like others before it, why should they be held to a higher standard? Such an approach carries with it a potentially troubling implication – if China’s actions are conveniently rationalized, any hope for meaningful change would appear to be in jeopardy. By eschewing relative comparisons, this thesis will instead focus on
absolute standards of behavior. Only through a thorough appreciation of these factors can progress in Sub-Saharan Africa become enduring.

While there is little doubt that China’s escalating presence in Africa has helped it achieve many of its original goals, significant fissures are appearing that, if left unchecked, threaten to erode the foundation that China has worked so hard to establish. Along with a renewed sense of hope that China has brought to the region, its behavior has not always lived up to contemporary international standards of responsibility. Resolving these emerging issues carries with it potentially profound consequences for China not only in its relations with Africa, but also its standing on the global stage.
CHAPTER 1

THE ECONOMIC DIMENSION

In the aftermath of the Asian financial crisis of 1997-98 the Chinese government forged its “going abroad” strategy which, among other things, granted export tax rebates, foreign exchange management assistance, and financial support to overseas Chinese enterprises that employ raw materials, components and parts, and machinery made in China. In furtherance of this objective, the world’s most populous nation (1.3 billion in 2010) faced the realization that the size and projected growth of its own domestic economy likely would prove inadequate to meaningfully employ its burgeoning productive capacity.

Therefore, out of necessity, Chinese President Jiang Zemin embraced the notion of “exporting out” the nation’s problems of over-capacity by through the aggressive pursuit of overseas export markets.

In order to fuel the ensuing accelerated industrial production, China needed to match its abundance of labor with a commensurate supply of raw materials appropriate to their growth sectors. The resultant quest for raw materials ushered in an unprecedented drive to secure reliable sources of key commodities. With resource needs eclipsing the nation’s supply, China necessarily turned its attention abroad. Though its material quest would
ultimately involve all continents, Africa offered unique appeal due to the combination of three concurrent features, 1) the presence of vast amounts of untapped extractive potential, 2) the absence (or diminished presence at least) of entrenched foreign competitors, and 3) the degree of receptiveness of African nations to strengthened economic ties with the relative newcomer to the global industrial scene.

Though China’s economic ambitions with respect to China remained seemingly distant and largely abstract concepts at first, specific objectives were crystallized in 2006 with the Beijing Summit of the Forum on China-Africa Cooperation (FOCAC). This exchange, in turn, prompted China’s National Development and Reform Commission to assemble a team of 40 domestic and international experts to collaborate for six months on a roadmap for cultivating China’s investment options in Africa. Besides the commercial elements of FOCAC, the tri-annual forums also were designed to cement political and cultural ties between China and Africa.³

Any discussion of China’s designs on Sub-Saharan Africa would be incomplete without coverage of one of the region’s chief allures – oil. Between 1990 and 2007, while China’s domestic oil production increased by 35 percent, its consumption rose by more than 80 percent.⁴ To make up the growing deficit, the combined energies of the China Petroleum and Chemical Corporation
(Sinopec), the China National Petroleum Corporation (CNPC), and the China National Offshore Oil Corporation (CNOOC) clearly had to turn their attentions abroad.

Unwilling to subject itself to the inherent vagaries of the international spot markets for gasoline and other key petroleum distillates, China strategic push to secure reliable oil supplies involves a multi-pronged strategy. Though CNOOC’s efforts to wrest control of U.S. oil giant Unocal in 2005 were thwarted by a suspicious (and perhaps xenophobic) U.S. Congress, its overtures in Africa have been far more fruitful. Along with signing a $70 billion oil deal with Iran in 2004, a collection of Chinese oil companies have invested more than $4 billion in the Sudan and now for over 60 percent of that country’s oil exports.

In still other African countries, China has in recent years demonstrated an uncanny ability to outflank Western oil companies who for decades managed to essentially preclude it from establishing any significant presence. In Nigeria, for instance, on the heels of Sinopec and the Nigerian National Petroleum Corporation’s (NNPC) joint venture in 2004 to develop oil fields in the Niger Delta, a separate agreement was forged the next year between CNOOC and NNPC that guaranteed 30,000 barrels of oil to China every day for five years. Subsequently, in 2006 an assortment of Chinese firms collaborated with Nigeria to secure four key oil-exploration licenses estimated to contain 700 million
barrels of oil and 2.5 trillion cubic feet of natural gas. In exchange, the Chinese firms have committed to $4 billion in infrastructural investments in Nigeria. Depending on the valuation model employed, this bid represented a 100 percent premium over that of the next highest bid received, a $2 billion cash offer from India’s state-owned Oil and Natural Gas Corporation.

For a resource-hungry nation like China, Angola represents an interesting opportunity. As one of the few oil producing nations whose proven reserves are on the rise, fewer of the traditional barriers to entry typically frustrating new investors exist. Despite the established presence of many of the largest and most powerful U.S. and European oil forms, Sinopec and Sonangol (Angola’s national oil company) reached an agreement in June 2006 in which Sonangol agreed to commitments equaling between 80,000-120,000 barrels of oil per day to defray the cost of a $4 billion line of credit extended by Chinese banks. While the terms of the deal call for China to pay market prices for the oil deliveries, these funds are channeled to China’s Eximbank to amortize loans extended through the line of credit.

While oil remains the largest and most conspicuous raw material sought by China in SSA, the quest for other commodities vital to Chinese economic expansion abounds. From copper mining and textiles in Zambia, timber extraction throughout West Africa, cobalt mining in the Democratic Republic of
Congo (DRC), to diamond, gold, and platinum mining in Zimbabwe, China’s economic influence in the region is being profoundly affected. In gaining access to these resources, China has played a pivotal role in, for instance, construction of the Tanzania-Zambia railway linking Zambia copper mining output to a suitable transportation hub, the port of Dar es Salaam.

The extraction of other material such as cobalt in the DRC illustrates a disquieting yet reoccurring phenomenon in SSA. Just as the world price of the commodity has risen to a level making it mining profitable. A short-term development perspective has driven many SSA nations to “negotiate away” opportunities that likely would have provided their economies (and, in turn, their often underemployed workforces) with the chance to secure sustainable benefits from the expanded trade. For instance, rather than invest in the requisite machinery to process raw cobalt rock into concentrated cobalt salts - a process that experts claim can elevate its value up to 50 fold – local DRC authorities instead chose the quicker and more expedient path of permitting China to realize most of the benefits by conducting the refining work beyond the borders of the DRC.  

Another testament to China’s almost relentless search for materials centers on Zimbabwe. As we shall examine in more depth later, relations between the two nations have evolved considerably over the past 30 years. What is
particularly noteworthy is China’s recent decision to extend upwards of $10 billion in new loans to the troubled nation in exchange for access to lucrative platinum mines along with revenue from fertile diamond fields. This controversial deal comes after a nearly three-year “cooling off” period in which Beijing (bowing to international pressure) largely distanced itself from the troubled nation following Zimbabwe’s almost universally condemned elections of 2008 in which President Robert Mugabe managed to maintain power through what many believe was pervasive voter intimidation and widespread electoral fraud.

Along with its acquisitive push, China likewise prizes SSA as a lucrative market for its exports. With imported consumer goods from developed countries often prohibitively expensive, the comparative affordability of Chinese imports is rapidly changing the longstanding equilibrium. From machinery, footwear, furniture, electrical equipment, to textiles and clothing, Chinese manufacturers have found in Africa a ready market for its cheaply-priced goods.

Like any merchant expanding into what are essentially new markets, China at times is discovering the need to tread carefully. For every African consumer who may marvel at their newfound ability to acquire Chinese-manufactured consumer appliances historically beyond their purchasing reach, others are vocally protesting the mass influx of cheap (and frequently low quality) African
imports. Even in one of China’s most economically integrated partners in the region, Zimbabwe, the local population has even coined the pejorative term *zhing-zhong* to refer to Chinese-made items of dubious quality.\(^\text{10}\)

Along with providing a vast influx of affordable consumer and industrial goods, the expansion of Sino-African economic integration is leaving an indelible mark throughout the region in other important ways. Given the woeful state of SSA’s economic infrastructure, China is increasingly playing a vital role in bringing needed improvements to the region. Whether extending grants, providing interest-free loans (or, in some cases, erasing existing loan balances altogether), or constructing roads, railways, schools, houses, scientific research centers, or medical facilities, it is hard to understate the enduring significance of Chinese investments. While the nature and magnitude of China’s involvement understandably varies by country, no country within the region is unaffected by Beijing’s investments.

Perhaps nowhere in SSA is China’s role more pervasive than in Zimbabwe. In the wake of Zimbabwe’s violent Presidential election of 2002 and subsequently its tumultuous parliamentary elections of 2005, the forced relocation of some 700,000 residents under Operation Murambatsvina (or “get rid of the trash”) prompted the United States and European Union to initiate an arms embargo, a series of “smart sanctions” freezing bank accounts of key Zimbabwean leaders
and their immediate families, and the drastic curtailment of non-humanitarian aid. The combined weight of these measures coupled by the gross mismanagement of the country’s fiscal and monetary systems caused the already shaky Zimbabwean economy to teeter near total collapse. Correctly sensing that China likely now represented the lone world power both willing and able to help deliver the beleaguered country from its dire predicament, in 2005 Mugabe dramatically tightened Zimbabwean bonds with China through his new “Look East” policy (a none-too-subtle jab at the West).

On the economic front, Zimbabwe’s Look East policy has witnessed the systematic expansion of Chinese influence throughout a sweeping range of the country’s strategic industrial sectors. From railways, buses, aircraft and parts to Air Zimbabwe, military training aircraft for the Zimbabwean Air Force, or even construction materials for President Mugabe’s elaborate $17 million “palace”, few segments of Zimbabwean economic life remain untouched by China.¹¹ On the cultural front, Zimbabwe’s Look East policy has included calls for Zimbabwean’s to learn Mandarin, Chinese culinary styles, and even Eastern philosophy through, for example, the establishment of the Confucius Institute of the University of Zimbabwe.¹²

Notwithstanding some of the short-term benefits that may be accruing to Zimbabwe through their Look East approach, concern over what is perceived by
many Zimbabweans as nothing short of the wholesale mortgaging of the
country’s future to a faraway nation – a disquieting concept reminiscent of their
longstanding colonial struggles with Great Britain – appear to be mounting.\textsuperscript{13} To
some like former Roman Catholic Archbishop of Bulawayo Pius Ncube, Operation
Murambatsvina and other government strong-arm tactics were triggered by
Chinese calls to remove competition from Chinese vendors increasingly
proliferating Zimbabwean flea markets and other commercial venues.\textsuperscript{14}
Irrespective of the degree of validity to the allegations, the depth and breadth of
China’s influence in Zimbabwe is becoming so extensive that it increasingly finds
itself a convenient scapegoat for Zimbabwean economic troubles, even in the
absence of a direct causal connection.\textsuperscript{15}

For other states, the appeal of China as an economic partner stems from
Beijing’s willingness to tackle ambitious projects that few others will. An early
example of this phenomenon is the Tanzania-Zambian railway. Begun in 1970
and completed six years later, the 1,860 kilometer rail links Kapiri Mposhi,
Zambia to Tanzania’s port in Dar es Salaam. The ambitious public works project
was constructed by China and financed via a $500 million interest-free loan.\textsuperscript{16}
More recently, through China’s assistance Nigeria launched its first
communications satellite.\textsuperscript{17} Besides the long-term economic impact to Africa’s
most populous nation, the effort represented a significant attitudinal shift for a
country seeking to enhance its level of international prestige through its
technological sophistication. For China, a country with similar yearnings only a few short years before, the significance of this endeavor to the Nigerians was not lost.

As with the case in Zimbabwe, the cementing of closer Sino-African economic ties does not necessarily translate into universal appeal for all things Chinese. In Nigeria, the Movement for the Emancipation of the Niger Delta (MEND) has emerged in recent years as a highly organized militant manifestation of rising resistance to oil drilling in the environmentally fragile Nigerian Delta. Through a series of highly publicized kidnappings, car bombings, and murders, MEND declared in 2006 that “the Chinese Government, by investing in stolen crude, places its citizens in our line of fire.” While it remains just one of many international players in the oil-rich Nigerian-Delta, as China’s visibility grows, so too does its exposure to a country’s domestic problems.

Concerns over China’s escalating economic influence in Africa are sometimes manifested through more subtle means. In the Sudan, notwithstanding China’s multifaceted support of the Khartoum government of President al-Bashir (which will be elaborated upon in the next chapter, there are increasingly signs of unease over the country’s economic reliance on China. Noteworthy is the case of Sudan’s Heglig and Unity oil fields, two lucrative petroleum deposits estimated to hold between 600 million – 1.2 billion barrels of oil.
Bowing to objections from the Canadian public and a subsequent lawsuit by the Presbyterian Church of Sudan over Sudanese human rights practices, Canadian oil form Talisman elected to see its 25 percent share of the exploration and development consortium following the lead of other western oil companies like Chevron that had already abandoned their Sudanese holdings over the escalating controversies. In deciding how to reallocate Talisman’s share of the project, the Sudanese awarded the stake to Indian oil company ONCC Videsh rather than allow China’s CNPC to gain a majority stake in the venture.19

The examples presented in the previous two sections highlight some (but certainly not all) motivations behind the expansion of Sino-African trade. Like most endeavors, these illustrations have shown how unintended challenges can sometimes spring from even the most carefully crafted plans. The next section will focus on what is unique about China’s economic involvement.

In examining what distinguishes Chinese economic behavior in SSA with that over other commercial players, several perspectives are worthy of discussion. First, in terms of fostering new business relationships, Chinese willingness to deal at times with decidedly undemocratic states does not in and of itself distinguish itself from the actions of more established western entities. Whether one considers authoritarian regimes operating in Gabon, Equatorial Guinea, Angola, or Congo-Brazzaville, both the level of current and prior economic ties to
western governments and corporations appear just as robust as those same nations’ burgeoning ties to China. Likewise, SSA states such as Botswana and South Africa that consistently rate high in their commitment to democracy, also can point to longstanding economic links to the U.S., the European Union, as well as China.

A second criterion to consider involves a state’s commitment to financial transparency, good governance, and an adherence to the rule of law. The concept of financial transparency, though seemingly a trivial distraction to deal-makers scurrying to secure potentially lucrative new contracts, has profoundly important long-term consequences to the sustainable development and public confidence of a nation’s commercial enterprises. Enhanced transparency, while admittedly not a universal panacea, remains one of the best antidotes to corruption and one of the most indispensible instruments for promoting improved financial accountability. Since many of the transactions cited so far involve dealings between state-owned enterprises (SOEs) and private corporations or, in some cases, multiple SOEs, lack of adequate transparency makes such entities susceptible to a variety of forms of governmental corruption – a problem endemic throughout much of SSA.

As noted in Deborah Brautigam’s “The Dragon’s Gift,” China’s overseas companies have a dubious legacy when it comes to the issue of transparency.
Ranked twenty-ninth out of thirty countries surveyed by the non-profit group Transparency International’s 2006 Bribe Payer’s Index, China’s low marks stem largely from the World Bank’s debarment of the China State Construction Engineering Corporation, the China Road and Bridge Corporation, and the China Geo-Engineering Corporation over numerous allegations of bid-rigging and bribery.  

While western firms have clearly not been immune from their own charges of bribery when dealing in Africa, it is unlikely that China is leveraging its newfound clout in the region to improve things. The case of Angola offers an instructive lesson. After reeling from three decades of civil war, the country (a perennial laggard in Transparency International’s annual list of most corrupt states) found itself at a crossroads. As the nation was finalizing the terms of a sizeable loan package from the IMF that, among other provisions, would have necessitated significant improvements in the nation’s financial transparency, China entered the picture and countered with a $2 billion loan package tied to only one condition, the right to 10,000 barrels of oil a day. Given this attractive option, any pressure to implement the reforms asked by the IMF quickly evaporated.

Another factor thwarting progress towards greater transparency involves the practice of structuring deals on a non-cash basis (i.e., bartering). Though not
inherently problematic, the trouble with bartering is that it provides another outlet for obscuring the flow and destination of monies from a transaction. For example, Zimbabwe’s importation of Chinese agricultural machinery in 2007 in exchange for 110,000 tons of tobacco illustrates the potential hazards of bartering. With some observers estimating the value of the farm equipment ($58 million) to be far eclipsed by the value of the tobacco ($220 million), opportunities to exploit the imbalance through “off contract” transactions abound.

The promotion of sound corporate governance and the adherence to the rule of law principle matters to China for a different set of reasons. While transparency largely governs how enterprises (whether state-owned or private) disclose information to external parties, corporate governance and the rule of law concern how emergent issues are fairly resolved in a manner that is fair, predictable, and consistent. Remove this foundation, and the risk of doing business rising accordingly.

As China’s presence in SSA grows, its ability to efficiently operate increasingly hinges on the proper functioning of these two principles. As illustrated even in Botswana, a nation seen by many to possess some of Africa’s strongest commitments to good governance and longstanding respect and adherence to the rule of law, China is confronted by counterfeiting and other intellectual
property problems. Compared to Botswana, China’s available remedies to tackle these and related problems are even more limited in nations whose commitment to these safeguards is far less clear.

Thirdly, the issue of environmental protection looms as an increasingly important theme for foreign commercial investors in SSA. While many subscribe to the notion that the pursuit of economic growth and commitment to environmental protection are mutually exclusive undertakings (i.e., in order to advance one, the other must be sacrificed), nations operating under a longer-term strategic vision have come to see harmony between the two objectives. In SSA, it appears as though China is only beginning to appreciate this phenomenon.

Given China’s longstanding domestic objective of pursuing growth at the expense of environmental protection, perhaps it should not be surprising to find the country’s economic activities in SSA governed by similar practices. Besides focusing a considerable part of their investments in economic sectors especially sensitive to environmental concerns (e.g., oil and gas exploration, mining, hydroelectric power generation, road and pipeline construction, and logging), China’s willingness to undertake ventures avoided by others further underscores their unique fiduciary role as the sole actor in many cases.24
In understanding what makes China’s approach different from that of other nations, Sierra Leone’s Ambassador to China, Sahr Johnny, summed up one perspective as follows, “the Chinese are doing more than the G8 to make poverty history. If a G8 country had wanted to rebuild the stadium, we’d still be holding meetings! The Chinese just come and do it. They don’t hold meetings about environmental impact assessments, human rights, bad governance and good governance. I’m not saying it’s right, just that Chinese investment is succeeding because they don’t set high benchmarks.”

Such sentiment highlights one of the central paradoxes of China’s industrial pursuits in SSA. While on one hand they find themselves being praised for their resourcefulness, speed, and dedication to completing projects, Chinese firms (along with their workers) represent an increasingly identifiable target when the region’s environmental climate turns sour. Whether examining China’s role in the controversial Merowe Dam project in the Sudan or its logging operations in Sierra Leone, some key distinctions about China’s conduct need to be made. Specifically, should Chinese firms be subjected to international rebuke when they elect to undertake environmentally questionable public works projects vigorously being advanced by a host government? Irrespective of one’s stance on this question, the case seems fundamentally different from the situation in Sierra Leone in which China’s adherence to the host country’s logging regulations has been questioned.
Irrespective of the inherent complexities of the issue, it is clear that perceptions matter greatly in SSA. A more judicious approach to project financing and construction could go a long way at erasing the notion that China selfishly seeks to turn Africa into an expedient outlet for relocating its worst polluting industries.

A fourth topic of considerable debate in China’s evolving relationship with SSA is the issue of jobs. Though not always the primary motivation behind African nations’ pursuit of deals with China, the promise of alleviating systemic unemployment (and underemployment) looms large in the calculus. The combined impact of China’s massive construction and extraction initiatives has already created tens of thousands of new jobs throughout the region. Like other aspects of China’s increased visibility, it is important to separate fact from rumor. As argued by Brautigam, even in the face of local hiring mandates such as Angola’s requirement that firms operating in the country be comprised of at least 70 percent Angolans (the figure is 80 in the DRC), competing pressures to accelerate the completion of projects – often at the urging of the host country government – sometimes serve to undermine these hiring regulations. Even when hiring mandates fall short, other forces, however, are simultaneously at work. For instance, along with renewed pressures under the 2006 FOCAC Summit to provide specialized occupational training to 15,000 Africans over a three-year period, the escalating costs of hiring Chinese expatriates combined
with increased demand for workers should translate into more African hires in the years to come.\textsuperscript{28}

That said, China continues to suffer from a serious perception problem on the issue of labor. On top of the fundamental cultural and language barriers, the erection of self-contained compounds on construction projects coupled with the subsequent proliferation of extended families even after projects are completed helps perpetuate suspicions between Chinese and local African communities.\textsuperscript{29} Specific manifestations of this distrust include allegations that two Chinese managers at a Zambian copper mine opened fire of local miners after they protested for higher pay and improved working conditions.\textsuperscript{30} Separately, rumors have long been surfacing from a number of sources that China is “dumping” a large number of convicted criminals on the African continent to both reduce their domestic prison overcrowding and provide cheap labor for their expanding commercial presence in Africa. While the allegations have yet to be proven, the extent to which this and similar stories are believed by Africans has considerable implications for China’s sustained viability in the region.

A final characteristic of China’s expanding economic forays into SSA concerns its unique twists on the administration of foreign aid and loans. Employing the principle of what it calls “mutual benefit and common development”, China typically links its aid to the purchase of Chinese goods and services.
Unconstrained by the same risk aversion and accountability considerations usually imposed by western lenders and aid providers, China has skillfully forged a competitive advantage that (as has been previously examined) frequently contributes to Chinese firms prevailing over its rivals when it comes to securing new contracts.

Whether delaying repayment for the Tanzania-Zambian Railway for 10 years from the originally scheduled payment date or promulgating at the first FOCAC summit in 2000 the reduction or cancellation of $1.2 billion in loans for many of Africa’s Highly Indebted Poor countries (HIPC). China has repeatedly shown a willingness to make course corrections as deemed necessary to advance its longer-term strategic objectives in the region. In contrast to western lenders, however, China’s loan and aid policies remain largely shrouded in secrecy. For those already skeptical over China’s underlying motives (especially with respect to SSA) the associated lack of transparency offers further fuel to the cynics.

While an understanding of the economic dimension remains key, other factors play a similarly important role in the evolving Sino-African relationship. In the next chapter we will examine the political dimension and investigate how China’s foreign policy plays a correspondingly integral role in the overall advancement of Chinese commercial interests.
CHAPTER 2

THE POLITICAL DIMENSION

Though its commercial linkages with Africa may currently represent the most conspicuous symbol of China’s growing interest in the region, the foundation for these expanding ties arguably was forged much earlier through a varied series of foreign policy overtures spanning the past four decades. Well prior to Africa’s emergence as a potentially lucrative trading partner, China’s foreign policy focus in the region largely centered around what it hoped would be a receptive audience to its international promulgation of its anti-colonial, anti-imperialistic, and anti-capitalistic ideologies.

Beginning with the first Asian-African (Bandung) Conference of 1955, China’s efforts to exert leadership over both the “Third World” and the nascent “non-aligned movement” marked a significant turning point in its relations with Africa.\(^1\) Even though it would be many years until China would seek to unlock the commercial potential promised through expanded trade in the region, the appeal of Africa was manifested in other ways. Like much of Africa, China too experienced similar developmental challenges struggling with the painful legacies of colonial rule giving it added legitimacy in the eyes of many Africans.

China’s Premier Zhou Enlai’s “Five Principles of Peaceful Coexistence”, though originally promulgated during negotiations with India over territorial
disputes over Tibet in 1954, crystallized what would later become the philosophical underpinnings of its future foreign policy stance with respect to Africa. Specifically, the principles contained, 1) a mutual respect for sovereignty and territorial integrity, 2) mutual non-aggression, 3) non-interference in each other’s internal affairs, 4) equality and mutual benefit, and 5) peaceful coexistence.²

Notwithstanding these lofty - if not utopian - ideals, China’s relations with Africa were principally characterized during this period by the degree to which each state maintained ideological fidelity to China’s Maoist-centered ideology. In the wake of the Sino-Soviet split in the late 1960’s, this posture often pitted China not only against African states aligned with the West, but also against those whose communist parties were deemed to have pro-Soviet allegiances. In light of its dogmatic foreign policy approach, it is perhaps not surprising that China’s relations with African states largely floundered over the period. For entrenched governments, the threat (whether real or imagined) of Chinese meddling in their domestic affairs was rarely welcomed.

Beginning in the late 1960’s, the thrust of China’s foreign policy objectives in Africa took a decidedly pragmatic turn. Instead of concentrating its energy primarily on the advancement of ideological movements, the emphasis turned to cultivating diplomatic influence on the continent, especially when it centered on
overturning Taiwan’s recognition as the legitimate Chinese state in the United Nations. Through a combination of its skillful foreign policy maneuverings and “lubricating” influences of an expanding foreign aid program largely devoid of the conditions typically imposed by donor nations of the West, China managed to secure diplomatic relations with 43 separate African nations by 1978.3

Equally significant was the evolution of the Communist Party of China’s (CPC) evolution from an ideological focus to one of pragmatism. This, in turn, permitted China to broaden its international outreach efforts to African ruling parties across a wide political spectrum.4 What emerged was a reconstituted International Division of the CPC whose charter (as promulgated at the Third Plenary Session of the Eleventh CPC Central Committee in 1978) included “responsibility for the Party’s international exchanges and communications with foreign political parties and organizations.”5

In 2001 CPC-ID Vice Minister Cai Wu laid out a series of more specific guidelines for the organization that included the concepts that “all parties should be completely equal, should respect each other, and should not intervene in each other’s internal affairs, that ideological differences should not be obstacles to establishing a new type of party-to-party relations, and in their relations with foreign parties, all parties should look to the future and forget old scores.”6

Through the successful overtures of the CPC-ID, links with over 60 political
parties in SSA have thus far been established. Supplementing direct
government-to-government bilateral ties, the work of the CPC-ID has been
instrumental in cementing long-term relations with existing and emerging
leaders of governing African parties as well as influential opposition parties in
some cases.

In contrast with China’s earlier policy of conditioning African aid on
ideological litmus tests, the advent of African independence movements of the
1960’s witnessed not only a profoundly different political landscape throughout
the continent, but likewise a fundamental shift in China’s approach to foreign aid
administration. Incorporating valuable lessons from its own experiences as an
aid recipient, China steered a markedly different course than that of the West.
For instance, instead of directly providing aid for rural development and poverty
reduction initiatives, Chinese aid was instead promoted as a tool for nations to
build sustainable self-reliance by employing strategies successfully implemented
in China itself.

In furtherance of this approach, Chinese aid was typically earmarked for
centrally-planned institutions designed to bolster the infrastructure and
productive energies of its African trading partners. For instance, for cotton
exporting countries such as Ghana, Tanzania, and Sudan long accustomed to
exporting raw cotton to better technically-equipped trading partners for the
fabrication of cloth, China instead constructed textile mills in these countries that permitted the nations to retain greater economic value for themselves.  

Besides spearheading construction projects for roads, bridges, and power plants, China further differentiated its foreign aid administration from that of the West by recognizing the political value of constructing athletic stadiums, governmental buildings, conference centers, and other conspicuous edifices designed to court favor with African leaders eager to bolster their domestic standings through prestige public works projects.

Notwithstanding China’s successful diplomatic inroads in Africa, the unified condemnation by the West in response to the June 1989 massacre in Beijing’s Tiananmen Square motivated China to seek even tighter bonds with non-Western states. After a reinvigorated Taiwan succeeded in (at least temporarily) coaxing a number of African states to switch diplomatic ties from Beijing back to Taipei, China aggressively entered the new “bidding war” through the skillful employment of some potent new “carrots and sticks”. Along with increasing aid commitments by 68 percent in the year following the Tiananmen Square incident, China promulgated its “One China” policy – a maneuver by which China vowed to sever diplomatic relations with any state granting the diplomatic recognition of Taiwan.
Another important tool for China in its quest to secure reliable allies throughout Africa centers on the issue of arms transfers. While China is hardly alone when it comes to exporting arms to Africa, the underlying philosophy behind their approach is decidedly unique. The three fundamental principles governing China’s arms policies are that “transfers should be used to defend the legitimate self-defense of the country seeking the arms, that the transfer should not jeopardize regional or international peace and stability, and by making the transfer, China should not interfere in the domestic affairs of recipients.”

Adherence to this carefully scripted policy, in turn, offers considerable opportunities for China not only to grow its arms exports, but perhaps even more importantly, to further cement its standing with those governments (whether responsible or rogue) chiefly focused on the quest of preserving their power through whatever means deemed necessary.

Clinging to its professed commitment to the principle of state sovereignty, China’s arms-transfer practices remain largely unburdened over concerns over exactly what constitutes a legitimate government in Africa. While the precise magnitude and ultimate destination of Chinese arms transfers unfortunately remains a matter largely shrouded in secrecy, it is widely believed that China is responsible not only for the establishment of factories for ammunition, mortars, and tanks in Sudan, but also remains the dominant military supplier to
Zimbabwe – a nation facing an arms embargo from much of the international community since 2002.

One of the earliest manifestations of China’s ability to secure favorable relations with an African state involves its enduring ties with Sudan. Touting its commitment to the principle of non-interference, China found a receptive audience in the country. From the establishment of diplomatic ties in 1959 until the 1989 military coup that catapulted the National Islamic Front (NIF) and its leader Omar al-Bashir to power, China’s support to the country has seldom wavered. What has changed over the past 15 years, however, is the nature and magnitude of its involvement. Beginning with the previously cited arms deals in 1991 (see chapter 1) and culminating with China’s sizeable investments in Sudan’s oil industry, the economic and diplomatic bonds now uniting the two nations have progressively become more intertwined and complex. While each party arguably has realized considerable benefits from the relationship, fractures in the foundation have begun to emerge in recent years.

Just as China’s role in Sudan has evolved considerably over the past few decades, likewise have its global ambitions. The dilemma of Sudan illuminates a particularly troubling new challenge for China as it seeks to establish itself as a responsible international player. While China’s doctrine of non-interference may have been a useful tool for enticing Sudan to establish diplomatic relation and
maintaining harmonious relations between the two nations over the years, it is increasingly ill-suited. What has fundamentally changed over time has been China’s priorities and evolving concepts of its national interests.

While Sudan has succumbed to a number of civil wars since the 1950’s, it was the lure of oil revenue that arguably precipitated the latest schism between the largely Islamic and more populous north with the primarily Christian south. With the oilfields located in the south, but their output diverted to the north thanks to a Chinese-financed pipeline and refinery, a veritable recipe for internal conflict was reinforced giving the regional rivals yet another pretext for fighting. Flush with oil revenues through their control of the pipeline and refineries, the north obtained a reliable funding source to, among other things, wage war with the south.

As an increasingly imperiled south subsequently targeted oil facilities in retaliation, China faced a troubling dilemma, should it abandon its considerable Sudanese investments (just like other nations had done in the past, albeit when far less was at stake), or instead seek to reinforce its position? Because, along with its sizeable investments in facilities and infrastructure, China also had to consider the safety of its expatriate workforce heavily involved in the oilfield operations, any credible protection likely would involve the hiring of security guards and direct support to the Sudanese Army.11
Perhaps indicative of an emerging sense of realpolitik, China hedged its bets by continuing to provide key military and financial assistance to the north while simultaneously reaching out to the south. The strategy would subsequently prove prophetic after the long-feuding north and south ultimately announced a comprehensive Peace Agreement (CPA) in January 2005 that established a measure of self-rule for Southern Sudan for a five-year period after which a regional referendum would be held giving Southern Sudanese the opportunity to vote on seceding from the north and creating a new independent state.

After many months of intense internal wrangling largely centered on deciding who should be eligible to participate in the referendum (an especially complicated issue given the nomadic habits of a sizeable percentage of the population),\textsuperscript{12} a near unanimous percentage of southern Sudanese voted to create the new state of South Sudan in July 2011.\textsuperscript{13} For China, this development presents a number of intriguing new challenges and opportunities. As it attempts to straddle its interests between Sudan and South Sudan, Beijing must negotiate a perilous tightrope as it seeks to protect significant investments now extending into two separate states.

Less than one month after the formation of South Sudan, serious squabbles remain with Sudan over petroleum revenue sharing and pipeline fees.\textsuperscript{14} With North Sudan’s President Omar Hassan al-Bashir threatening to block access to
the pipeline unless South Sudan agrees to continue providing a 50 percent share of all oil revenues, a nervous China understandably must now turn to other risk-mitigating options. Of particular note are reports that China is in the process of sending “special teams” to South Sudan to negotiate loans that would sustain the fledgling country until China could build a new pipeline extending to the Kenyan coast that would provide a viable alternative to the existing pipeline terminating at Port Sudan in the north.\textsuperscript{15}

As is frequently the case, in spite of the many challenges inherent to China’s high-profile role in Sudan, fresh new opportunities also abound with the formation of South Sudan. Perhaps the most significant for China centers on its ongoing quest to gain an enhanced level of international respectability – an objective severely hindered by Beijing’s perceived culpability in connection with the Darfur conflict in western Sudan.

The struggle, though distinct from the separate conflict between the north and south, largely centered around competing territorial claims pitting the aspirations of nomadic livestock herders against those of more sedentary farmers. A multitude of players including the Sudanese Army and police and the \textit{janjaweed} (a tribal militia group whose name roughly translates as “evil men on horseback”\textsuperscript{16}) on one side and the Sudan People’s Liberation Movement/Army (SPLM/A) and the Justice and Equality Movement (JEM) on the other have
clashed since 2003 in a horrific conflict that has claimed the lives of hundreds of thousands and displaced several million from their homes creating, in turn, another international crisis as over 100,000 refugees fled to neighboring Chad.  

China, as Sudan’s most conspicuous financer, arms supplier, and diplomatic protector received widespread international rebuke over its perceived complacency. Especially noteworthy was a high-visibility public relations campaign aimed at shaming China by branding Beijing’s 2008 Olympic sponsorship – the “Genocide Olympics” due to China’s cozy relationship with the Sudanese government.  

From its days of insisting that the violence in Darfur was strictly an internal Sudanese affair, China has (however grudgingly) backed away from its traditional notions of non-intervention. For instance, while Beijing famously abstained (ostensibly because of its non-interventionist doctrine) from a key U.N. Security Council vote in 2006 designed to impose significant sanctions on several leading Sudanese figures and separately threatened vetoes over U.N. efforts to impose economic sanctions and arms embargoes, it arguably played a pivotal role the next year in persuading President al-Bashir to accept a joint United Nations-African Union peacekeeping force in Darfur.  

That said, as Sudan’s military supplier of A-5 Fantan bomber aircraft, helicopter gunships, large quantities of light weapons, and even assistance in
developing a local arms manufacturing capability,\textsuperscript{22} China’s perceived culpability in the violence and repression in Darfur remains a burden faced by no other external player. Even after being convicted by the International Criminal Court (ICC) for alleged genocide, war crimes, and crimes against humanity, Sudan’s President Bashir defiantly travelled to Beijing as recently as June of 2011 for the purpose of conferring with Chinese Premier Hu Jintao who, in explaining the rationale for hosting the international fugitive, proclaimed “as a friendly country of China, the Sudanese Leader’s visit to China is quite reasonable.”\textsuperscript{23}

Given this controversial backdrop, why is there cause for optimism? The answer potentially rests with the carefully cultivated ties between Beijing and southern Sudan over the past several years. Though always mindful not to unduly antagonize Khartoum, Chinese leaders invited a delegation of the SPLM to Beijing in 2005 (shortly after the signing of the CPA) for a “friendship visit.”\textsuperscript{24} This opening gesture was subsequently followed up by with a $300 million loan offer to the then fledgling semi-autonomous Government of Southern Sudan (GOSS) two years later. In exchange for their benevolence, China later received assurances from GOSS leader Salva Kiir that China’s oil investments would remain secure in the event that the south seceded.\textsuperscript{25}

Now that the south has indeed seceded, China finds itself perched in what could prove a pivotal position. Building on its prior engagements with GOSS,
China’s willingness to construct a new pipeline to the Kenyan coast and extend additional credit to the new South Sudan government represents an intriguing new development. Though not without its own potential risks and sizeable hurdles prior to its realization, the operation of a separate pipeline could ultimately free South Sudan from the yoke of Khartoum and even open the door for renewed oil importation by the United States since South Sudan’s oil presumably would no longer be subject to the economic sanctions currently levied on Sudan due to its inclusion on the U.S. Department of State’s “State Sponsors of Terrorism” list.

For China, a delicate balancing act will inevitably be required if it is to preserve harmonious relations with both Sudan and South Sudan. The stakes are clearly high. Besides preserving its sizeable economic investments and maintaining unfettered access to Sudanese petroleum, China’s handling of the evolving new paradigm will likely determine whether their international standing remains tarnished over its Sudanese connection, or instead, plays a meaningful role in improving the well-being of the citizens of each country. In spite of its repeated espousal of the doctrine of non-interference, there appears little likelihood that China will enjoy that “luxury” as long as it remains active in the two Sudans in coming years.
As noted in Chapter 1, China’s political ties to Zimbabwe (and especially to President Mugabe personally) date back to the time of the African state’s struggle for independence in the late 1970’s. While Beijing’s posturing with respect to Zimbabwe bears a number of disturbing similarities to its assistance with respect to Sudan, its underlying motivations remain somewhat less obvious. The first manifestations of the level of brutality that would become Mugabe’s hallmark occurred almost immediately after his Zimbabwe African National Union (ZANU) party solidified its power base after the nation’s independence in 1980.

In a ruthless maneuver known as Operation Gukurahundi (translated as “the early rain that washes away the chaff”) an estimated 22,000 suspected members of the rival Zimbabwe African People’s Union (ZAPU) were killed. Along with a succession of elections viewed by nearly all outside observers as pervasively fraudulent, a disastrous redistribution of agricultural land that converted a nation once known as the “breadbasket of Africa” into a sickly land now dependant on humanitarian food aid for survival, to the previously mentioned Operation Murambatsvina, Zimbabwe now represents, both politically as well as economically, one of the most dysfunctional governments on earth.  

Although China’s support to Zimbabwe has remained steadfast over the years, the return on its investment has been underwhelming on at least two
important fronts. First, as the Zimbabwean economy continues to teeter near total collapse (featuring, among other sobering statistics, a hyper-inflationary rate estimated to be 79.6 billion percent in 2009 prior to the abandonment of the national currency) and the looming threat of further nationalization of key industries continues to haunt foreign investors, China faces the unenviable prospect of watching Zimbabwe default on a significant percentage of its loans.29 Additionally, at a time when both the United States and the European Union have each established arms embargoes and sweeping economic sanctions against Mugabe and his inner circle, China’s continued willingness to deal with the pariah regime has, just like the case of Sudan, created an embarrassment for the Asian power seeking to add legitimacy to its aspirations as a responsible international stakeholder.

Though regional associations such as the African Union (AU) have yet to take meaningful action against Mugabe (despite the apparently escalating rift in the Zimbabwean coalition government once considered by many so promising),30 other actors have shown remarkable courage. For instance, in the wake of the widely disputed 2008 Zimbabwean elections, a Chinese freighter carrying ammunition and rocket-propelled grenades destined for Zimbabwe was forced to return to China with its lethal cargo after union dockworkers in South Africa refused to unload it given its intended destination.31
As with Sudan, China’s role as Mugabe’s “enabler” has earned rebuke from a diverse blend of African observers. Unlike the situation in Sudan featuring the highly publicized atrocities in Darfur as a rallying point, the international community has thus far failed to coalesce around efforts to condemn China's Zimbabwean involvement in any sort of meaningful way. As a result, despite periodic embarrassments over its Zimbabwean ties along with ongoing uncertainty over the security of its investments, China appears to remain content with the status quo with an opportunistic eye towards achieving realizable gains wherever possible from this controversial relationship.  

In contrast to the situations facing China in Sudan and Zimbabwe, its political relationship with the Democratic Republic of the Congo (DRC) has vacillated a number of times during the 51 years following the African country’s independence in 1960. The ideologically-driven bonds that connected China to a number of newly-independent African states were largely absent throughout much of the DRC’s (formerly Zaire’s) history. Lacking any sort of enduring ideological bonds, modern relations between the two states are principally grounded upon practical considerations centered mainly around the DRC’s possession of large quantities of copper, cobalt, and other minerals vital to China’s projected industrial growth in exchange for the infusion of Chinese financing and critically needed infrastructural development assistance.
Committing to $9 billion of new investment in the DRC in 2008, China has a powerful desire to preserve a sense of stability in this nation plagued by armed conflict during much of its existence. With persistent corruption throughout nearly all layers of government (DRC was rated 162 out of 180 countries in 2009 by Transparency International) and significant portions of the country (especially eastern regions) subject to armed violence by competing rebel factions, the DRC remains one of the least desirable destinations for foreign investment. By willing to tread where few others dare, China has reaped the advantage of securing a source of key raw materials. Despite its relative success at befriending the ruling political elite by providing the Congolese Armed Forces (FARDC) with significant levels of vital military equipment, China runs the risk of upsetting the regional military balance of power which, in turn, could engender distrust among other states threatened by the growing militarization of the DRC.

Along with China’s enduring political alliances in Sudan and Zimbabwe and its readiness to make sizeable financial investments in a country largely shunned by much of the rest of the industrial world (the DRC), China’s multifaceted political outreach initiatives have also gained traction in other key African states once thought beyond its reach. As the single largest oil exporter to China, Angola now holds tremendous significance. Despite having to endure a series of diplomatic setbacks related to its frequently changing allegiances during Angola’s struggle for independence and later its bitter and protracted civil war, China’s emergence
as an “all weather friend' who offers the added attraction of possessing the financial wherewithal so desperately needed by a war-torn country struggling to rebuild their infrastructure.  

China’s role in Angola, though significant, remains qualitatively distinct from its presence in the three African states discussed above. From a trade perspective, China must compete with a number of other players – some who have been fixtures in the Angolan economy for decades. For its part, the Angolan government appears to have instituted a deliberate strategy of diversifying its trading base allowing the nation to avoid the pitfalls inherent to overreliance on a dominant trading trader.

For China, the case of Nigeria bears a number of parallels to the situation in Angola except that here China realized (correctly) that it could gain powerful leverage with the government by filling voids left by more established players (i.e., the United States). For example, in response to the previously-mentioned attacks on Nigerian oil installations by the MEND militia group, Nigerian Vice President Atiku Abubakay lamented that “the United States has been too slow to help protect the oil-rich Niger delta from a growing insurgency.”

Turning to China, Nigeria was not only able to order military equipment needed to help blunt the advancement of the militia, but just as important, take possession of it in a timely fashion.
Perhaps one of the more interesting manifestations of China’s varied political approaches to Africa involves its relations with Botswana. As the African country often touted as possessing the firmest commitment to financial accountability and transparency not to mention an unwavering respect for the rule of law, the environment confronting China in Botswana bears little resemblance to the other parts of the continent where its seemingly indifferent approaches to corruption and the ethical consequences of its actions appears to have helped it gain important footholds.

Botswana, a nation whose economy arguably represents the closest thing to a level playing field in Africa, serves as an important crucible for China. Combining thorough market research with an effective diplomatic charm offensive, China has found novel ways to capitalize on its competitive strengths in this small, but increasingly important, African success story. In contrast to the factors behind China’s economic success in other African countries, in Botswana it is demonstrating that it can prosper in a liberalized economy just as much as it can in a tightly controlled one.37

Through the careful application of valuable lessons learned and an almost uncanny ability to alter its approach as needed, China has clearly found ways to thrive throughout some of Africa’s most diverse political and economic climates.
In the next chapter, the ethical dimension of China’s involvement will be explored.
CHAPTER 3

THE ETHICAL DIMENSION

The ethical implications surrounding China’s expanding African presence remains a topic left largely unexplored by contemporary Sino-African scholars. Since foreign policy is typically defined as the self-interested pursuit of a state’s strategic interests on the international stage, some understandably may be skeptical about the notion of introducing the subject of ethics to this larger discussion. Through the ensuing analysis, I hope to make a convincing case that the coverage of ethics isn’t just feasible, it is indispensible to any meaningful examination of factors that influence relations between states.

Within the context of this discussion, ethics refers to the examination, justification, and critical analysis of the concept of morality – which, in turn, refers to the values and beliefs about what constitutes right and wrong, good and bad, just and unjust. While cultural relativists may argue that the sheer diversity of world religions, cultural norms, and moral values makes the search for common ethical understanding a quixotic pursuit, I will endeavor to show otherwise.

Whether exploring the subject of ethics from Judeo-Christian, Confucian, or animist moral perspectives, the issues raised in this chapter transcend these varied religious and spiritual traditions. To aid the discussion, three contrasting
ethical frameworks will be compared - realism, utilitarian consequentialism, and Kantian idealism. Though the ethical underpinnings of these three perspectives will be subsequently explained in greater depth, the basic objective behind their inclusion is to aid in determining whether China’s relations with Africa should be driven by self-interest or instead a desire to produce “the greatest good for the greatest number.” Alternatively, should a set of higher, more idealistic ethical standards govern China’s activities, even if it entails some limitations on the pursuit of happiness for the larger populace.

As has previously been noted, China in a number of ways is at an important crossroads. For a nation seemingly eager to bolster its international standing and reputation, a fresh analysis of its ethical posture (especially as it guides China’s actions on the world stage) is especially timely. That said, this inquiry would be incomplete if it did not address several fundamental questions. First, to what extent should China’s duties to its own citizens shape its relations with African relations? Secondly, what are its duties with respect to its bilateral relations with each individual African state? And finally, what are its responsibilities (if any) with respect to the larger international community?

Despite the prolific amount of scholarly research published in recent years focusing on the burgeoning ties between China and Africa, few writers have directly tackled the ethical dimension of the emerging relationship. Instead,
contemporary research has typically been centered on whether China’s activities have been legally compliant with international agreements. Indeed, when it comes to the issue of ethics, a number of prominent Sino-African specialists have essentially sidestepped the issue by dismissively likening even China’s most questionable acts to past (and in some cases ongoing) actions of other unsavory players on the continent. Such an approach carries the unfortunate effect of essentially rationalizing some of China’s most controversial actions under the defense that “they are just doing what others are doing.”

Common responses to the treatment of ethics by modern Sino-African scholars include Brown and Shiram’s reasoning in “China’s Role in Human Rights Abuses in Africa: Clarifying Issues of Culpability.”¹ Here the authors elect to focus on legal, not moral, responsibility because as they put it “legal codes are more precise than moral codes and have bodies established to adjudicate disputes and if they were to access China’s moral culpability, such a focus would exclude other international actors in Africa.”²

By focusing strictly on the legal aspect of China’s actions, questionable ethical behavior is often conveniently excused. For instance, while Brown and Shiram postulate that China (as well as Russia) likely violated U.N. Security Council Resolution 1591, which in 2005 banned arms sales to all parties involved in the Sudanese conflict in Darfur, the impact of China’s ongoing supply of arms to
Khartoum prior to that date (a period in which both the United States and the European Union had separately imposed their own embargoes) is essentially ignored.\textsuperscript{3}

On the subject of China’s willingness to supply arms and equipment to the notorious Mugabe regime in Zimbabwe – a practice harmful both for its physical destructive potential as well as the accompanying governmental corruption likely enabled through questionable procurement processes – Brautigam’s analysis takes a puzzling turn. Refusing to directly rebuke China’s activities, she downplays the significance of the event by instead likening Beijing’s activities to alleged misdeeds of other states. Specifically, she cites accusations implicating then British state-owned BAE Systems with setting up a secret “slush fund” to help cement arms deals to Saudi Arabia\textsuperscript{4} along with claims that the Ukraine continued supplying arms to Zimbabwe between 2005 and 2007.\textsuperscript{5}

The aim of these criticisms is not to suggest that these authors are in any way attempting to promote China’s ethical behavior as the model to which other states should aspire to, but instead make the case that by deliberately omitting the consideration of ethics from their work, coverage of an important aspect of the unfolding Sino-African relationship is being neglected. As we shall subsequently explore, the conduct of political and economic activities under an
ethical vacuum potentially poses troubling implications for China. If left unchecked, the nation’s longer-term geopolitical aspirations could be at risk.

Before proceeding with the analysis of the ethical dimension of China’s relations with Africa, it first is necessary to more completely define the three ethical frameworks that will be employed in this study—realism, consequential utilitarianism, and Kantian idealism. What can be called the realist approach traces its lineage from the works of historian Thucydides, St. Augustine, Machiavelli, and Thomas Hobbes. Starting with the premise that human nature is inherently motivated by self-interest, realists adhere to the notion that individuals and governments should seek to advance their own interests first even when it comes at the expense of others. Furthermore, since political action should be guided by how human beings are likely to behave (not how they ought to behave), the establishment of a just order represents an unrealistic objective.6

A more modern disciple of the realist school, Hans Morgenthau, succinctly captures another defining characteristic of the ethical tradition with this quote concerning the importance of power, “if statesmen disregard power, they will become the victim of those who have learned to acquire and use it.”7 Because of this view, realists are often criticized over what many consider an amoral approach to international affairs. After all, if power remains the primary
instrument for advancing foreign policy and national security objectives, is there room for ethics?

For most realists, however, the issue isn’t whether ethics has any relevance to policy formation, but should its role be at the personal or national level. They contend that although personal ethics should help guide individual decision making, when it comes to the advancement of the aggregate national interest, prudence and reason should drive decision making aimed at providing the greatest good (from a nationalistic perspective) from competing, morally acceptable alternatives.

Like realists, utilitarians advocate policies grounded upon the concept that the morality of an action ultimately rests on the degree that it produces favorable consequences. As the original architects of utilitarian thought, English philosophers Jeremy Bentham and John Stuart Mill developed an ethical framework resting on the egalitarian belief that every person’s happiness counts for precisely the same as every other’s, and that the value of an action is directly proportionate to the degree that it increases the total happiness of the world.  

Eschewing the significance of intentions in assessing the morality of an action, strict utilitarians potentially support policies involving questionable means, or even morally ambiguous goals, so long as the eventual outcome is viewed as beneficial. Perhaps the most famous articulation of the principle
comes from the opening of Jeremy Bentham’s *Introduction to the Principles of Morals and Legislation*, “Nature has placed mankind under the governance of two sovereign masters, pain and pleasure. It is for them alone to point out what we ought to do, as well as determine what we shall do. On the one hand the standard of right and wrong, on the other the chain of causes and effects, are fastened to their throne.”⁹

In spite its intuitive appeal, one of the inherent challenges of this (and any other consequentialist-based ethical approach) is the difficulty of accurately predicting the ultimate outcomes of even those decisions arrived at through faithful adherence to the utilitarian framework. Another fundamental challenge centers on the inability to derive a universally-accepted ethical standard for evaluating ends-based decision making. In other words, seemingly desirous ends including the promotion of stability, pleasure, human rights, or economic prosperity may at times prove mutually exclusive. While there is no mistaking the value of utilitarian thought as a tool for assessing the merits of competing courses of action, its relevance to the application of ethics in international affairs clearly carries some basic limitations.

In marked contrast to the consequentialist approaches of realism and utilitarianism, Kantian idealism (named for its originator, German philosopher Immanuel Kant) instead asserts that actions should be evaluated by their
inherent rightness, not by the merits of their predicted policy outcomes. Under this ethical standard, the morality of goals and intentions emphasizes the concepts of duty and right intention, replacing the ends-based focus of the preceding two frameworks.

In his *Foundations of the Metaphysics of Morals*, Kant articulated his famous moral rule, the categorical imperative, as a framework for judging the rightness of a particular rule or action. The first of its three-part test involves the concept of universalization – i.e., “I should never act except in such a way that I can also will that my maxim should become a universal law.” Secondly, on the subject of mutual respect, “act in such a way that you always treat humanity, whether in your own person or in the person of any other, never simply as a means, but always at the same time as an end.” Thirdly, “never act in such a way that the maxim of your action could not be regarded as legitimate by all parties.”

While it would be futile to attempt to distill the complexity of Kant’s thoughts in the limited space available here, the central theme as it relates to this thesis is the notion that moral considerations in themselves should be conclusive reasons for guiding behavior. Moreover, the possession of moral goodness is the very condition upon which anything else is worth having or pursuing.

Since Kant saw rational human wills as inherently autonomous, some important implications arise when the autonomy is compromised. Because “the
legitimacy of state action rests on the fact that it respects and effectively represents morally autonomous individuals, states that coerce their citizens or foreign residents lack moral legitimacy.”

When viewed from the ethical lens of the realist, it is hard to refute the contention that China’s escalating role in Africa is chiefly guided by a world view consistent with other adherents to this tradition. Indeed, China’s longstanding policies aimed at sowing ideological allegiance with African states willing to support Beijing’s distinctive brand of communism have long since receded, replaced by an overarching desire to secure not only reliable sources of raw materials indispensable to the nation’s ambitious economic development plans, but likewise new outlets for their burgeoning export-oriented industries.

Whether solidifying their oil concessions in Angola, Nigeria, and the Sudan, copper from Zambia, or cobalt from the DRC, China’s political and economic maneuverings with these and other resource-rich states are directly correlated with its national objective of gaining improved access to key raw materials. Propelled chiefly by the realist belief that power largely governs the development and maintenance of political order, it is not too difficult to explain why China has resorted to some of the measures cited in the preceding two chapters.
Given this world view, the scramble for raw materials and market access understandably is cast largely as a zero-sum game. As such, when proposed measures such as improved commercial transparency and better corporate governance threaten to diminish China’s relative economic advantage over would-be competitors on the continent, a realist-based ethical framework would dictate taking an assortment of measures designed at preserving that competitive edge.

Such an approach carries a number of distinct advantages for China. Perhaps the greatest of which involves the accompanying ability to rationalize a wide spectrum of actions provided they can be construed as advancing the national interest. From extending the $2 billion loan package to Angola in 2005 that obviated the need of the African nation (long prone to endemic corruption) from making comprehensive economic reforms mandated by a competing loan offer by the IMF, to wielding the leverage that comes with permanent U.N. Security Council membership by threatening to veto proposed U.N. sanctions against its African allies Sudan and Zimbabwe, virtually any conceivable action can be legitimimized if viewed from a strict realist perspective.

China’s astute market research has enabled it to shrewdly select a mix of political, diplomatic, and economic levers best suited to each situation that confronted them. Because of this, it has been able to simultaneously preserve
its longstanding links with states like Sudan and Zimbabwe, conspicuously increase its presence in Angola and Nigeria (likely at the expense of more entrenched western rivals), and, most recently, likely gained an early head-start in cementing an important new relationship with the emerging new state of South Sudan.

In terms of advancing China’s national objective of bolstering their rapidly expanding industrial base and, in turn, the continued improvement of the standard of living for its 1.3 billion citizens, the realist geopolitical approach appears to be paying handsome dividends. Assuming this to be the case, some may legitimately question the need to pursue the ethical discussion any further.

Notwithstanding the apparent short-term gains likely advanced through China’s approach, a number of key ethical considerations still warrant discussion. Even apart from the consideration of these philosophical issues, the longer-term sustainability of China’s implementation of the realist model is a separate issue that merits closer examination (a topic that will be elaborated upon in the next chapter).

Like the realist camp, utilitarians take a consequentialist approach when it comes to determining the ethical rightness of a proposed action. While the attention of the realist almost invariably centers around the advancement of the narrow self-interests of a state, utilitarians believe that each individual’s
happiness remains equally important and that the underlying goal of any action should be the promotion of the world’s aggregate level of happiness.

In terms of China’s implicit duty to maximize the collective happiness of its own citizenry, Beijing’s activities with respect to Africa appear to be thoroughly defensible under the utilitarian standard. After all, if the thrust behind the drive for enhanced access to raw materials, the skillful jockeying for fresh new export markets, and the judicious dispensing of foreign aid is ultimately for the improved economic well-being of the Chinese citizenry, it is hard to deny that the country’s unprecedented thrust into Africa is having the desired effect.

Assuming that the economic impact of China’s foray into Africa is likely to continue over both the short and longer-term, under the utilitarian concept their actions would be justified so long as they do not cause the country to forgo even more lucrative arrangements with other trading partners destined to produce still greater well-being for Chinese citizens.

Even though the motivations behind China’s push into Africa might be guided by a realist world view rather than utilitarian consequentialism, their behavior seems equally sanctioned under either model, at least as it relates to the economic happiness of their citizenry (a notion that Bentham and Mill admittedly might quarrel with but that lies outside the intended scope of this thesis). Consistent with one of utilitarianism’s bedrock tenets, the underlying
motivations behind a state’s actions are of little consequence so long as the results are conducive to improving the greatest happiness for the greatest number.

When it comes to China’s duties with respect to its bilateral relations with individual African states, the picture becomes a bit murky. Because utilitarians hold sacrosanct the idea that the advancement of happiness is, in and of itself, a virtue that knows no class distinctions or borders, adherents to this ethical model undoubtedly would maintain that China clearly holds some compelling duties with the populations of the African states with which it interacts.

As noted in earlier chapters, China undeniably has (both directly and indirectly) enhanced the well-being of millions of Africans in a variety of ways including the underwriting of scores of public works projects, the extension of credit, and the provision of essential medical and engineering assistance. Irrespective of whether China may at times harbor ulterior motives behind their apparent largesse would not diminish the validity of these actions from a utilitarian ethical perspective.

On the other hand, as China continues to bolster its export trade with Africa, the economic well-being of its citizenry increasingly has come at the expense of large segments of citizenry of its African trading partners. Whether one considers the substitution of Chinese clothing and textiles over indigenous
African industries struggling to preserve their existing market shares or the proliferation of Chinese-produced light manufactured goods that thwart the development of sustainable new industries within Africa, any short-term benefits that might be accruing to the African consumer are coming with a longer-term cost; namely, increasing disincentives for home-grown African industries to undertake business ventures offering little prospect of success.

Another key criticism surrounding China’s involvement in Africa is that some of their gains are being realized at the expense of local workers and with a callous indifference to environmental regulations. Faced with claims over child labor exploitation in the DRC, unsafe mining conditions in Zambia, or illegal harvesting of old-growth timber in west Africa, China’s perceived duty to its own citizens could be on a collision course with the well-being of millions of other Africans. If these and other similarly disturbing claims are true, it is inconceivable that China’s actions would be sanctioned under the utilitarian ethics model.

Taking the utilitarian concept of maximizing happiness a step further, China’s ethical duties would appear to go beyond its relations with its own citizens and trading partners. As its political and economic footprint grows throughout Africa, arguably so do its ethical obligations. When viewed from this perspective, even actions that bolster the combined happiness of China’s own citizens as well
as those of its trading partners still can be judged ethically suspect if, in the course of advancing the well-being of some, harm to an even larger population arises.

Let’s take the examples of financial transparency and corporate governance. For those who see the healthy functioning of these two areas as essential elements of a healthy economic climate, actions that have the effect of discouraging the proper functioning of these institutions run the risk of stunting economic development - which, in turn, diminishes the economic well-being of all affected.

As has previously been discussed, China in a number of instances has managed to secure new business in Africa in part by turning a blind eye to these and other “good business” practices increasingly insisted upon by western donors and potential business partners. To the extent that it enables this behavior, it is at least partially culpable in thwarting measures that (had they taken root) likely would discouraged corruption through the promotion of higher standards of commercial integrity and financial transparency.

When it comes to international forums such as the United Nations, China’s election to leverage its powerful Security Council membership vote by vetoing (or in some cases merely threatening to veto) proposed actions designed to curb the dangerous behavior of rogue states creates a clash pitting China’s parochial
interests against those of the larger international community. Here, the parties harmed by the measures include not just opposition groups seeking to improve the domestic predicament within each struggling country, but also neighboring states forced to deal with the negative side effects occurring when a state finds itself unable to contain its troubles within its own borders. The migration of Sudan’s civil war into neighboring Chad and the regional destabilization of southern Africa emanating from the longstanding turmoil in Zimbabwe\textsuperscript{17} are just two examples in which the actions of China likely exacerbated the respective problems.

Though less obvious, another unfortunate consequence stemming from China’s unabashed diplomatic brinksmanship is its long-term effect on the larger international community. By leveraging their power in the U.N. to protect some of the most unsavory regimes on the continent, respect for the institution itself erodes. Since it is this same institution that, among other roles, typically represents the visible face behind multinational peacekeeping efforts designed to ameliorate human suffering, actions that undermine confidence in the moral legitimacy of the U.N. would, in turn, prove problematic to the utilitarian ethicist.

Lastly, in examining China’s behavior from the perspective of Kantian idealism, an altogether different set of ethical considerations are in order. At the
risk of oversimplifying a philosophical approach laden with complex subtleties, the discussion here will chiefly be centered on Kant’s categorical imperative. Specifically, we will turn our attention to assessing whether China’s relations with Africa meet the ethical litmus test implicit to the categorical imperative, especially as it relates to duties to China’s own citizens and to Africa’s other stakeholders who, either directly or indirectly, are impacted by China’s actions.

Returning to one of the earlier discussions in this thesis, if China’s underlying basis behind its expanded African presence is rooted around the objective of advancing the living standards of its own citizens, some understandably might then conclude that on the question of possessing the right intent, Beijing’s actions therefore should be ethically justifiable under the Kantian model. However, when employing the categorical imperative the threshold for achieving ethical legitimacy becomes considerably higher. Even in the course of advancing the economic footing of its own citizens, can China’s activities be held up as a standard that should be universally followed? Are its citizens being treated as an end and not just a means to an end? And can China’s actions be regarded as legitimate by all parties?

With respect to its own citizens, do China’s actions in Africa represent the sort of ethical standard that, if universally followed, could be regarded as morally just under Kantian standards? Not likely. Along with every African public works
project and loan underwritten by China, Beijing’s activities have also resulted in unsafe labor practices, an indifferent adherence to environmental protection, as well as the undermining of efforts designed to reduce corruption and bolster respect for the rule of law.

These policies, if applied with similar conviction to China domestically (a point some might argue is already the case) would, almost assuredly, run counter to the first pillar of the categorical imperative. Secondly, though some Chinese workers in Africa may rightfully view the use of their labor as simply a means to other national ends, because so much of China’s commitment in Africa centers on the larger Chinese population as the ultimate end, its activities likely pass the second step of the categorical imperative. Judged from the domestic optic, because China’s actions likely would be presumptively be regarded as legitimate by an overwhelming percentage of the population, the third pillar of the categorical imperative is likely also satisfied.

As under the previous two ethical models, an assessment of China’s actions under the Kantian framework both in terms of its bilateral relations with African states as well as to the larger international community is in order. Given the intrinsic importance given to moral intension under the Kantian model, it is difficult to make a convincing case that China’s activities, either at the bilateral level or in the broader international context, meet the universalization litmus
test. To illustrate, let’s consider a previously described example. If all states were to leverage U.N. Security Council membership to advance their own interests the way China historically has, it is unlikely that the institution would survive for very long as its very *raison d’être* would like soon crumble under the weight of competing self-interests. This runs afoul of the Kantian model on multiple fronts.

Lastly, in light of China’s enduring support to rogue leaders such as those in Sudan and Zimbabwe, the undermining of anti-corruption measures, and its unsettling arms transfer practices, China’s actions in Africa are sufficiently sullied to convincingly argue that the treatment of their African counterparts involves something other than a means to other ends. Given the same backdrop, it is inconceivable that China’s policies can be regarded as legitimate by all parties. Thus, both the second and third pillars of the categorical imperative would not be satisfied.

Despite considerable evidence that China’s actions remain firmly rooted in the realist tradition, the country continues to painstakingly try and convince Africa otherwise. A recently issued public statement from Chinese Foreign Ministry spokesman Jiang Yu exemplifies the sort of message that China wishes Africa to receive when it comes to the subject of Chinese-African cooperation. In recent remarks Jiang noted that “China has always adhered to the principle of
sincere friendship, equality, effectiveness, and mutual benefit and common
development while cooperating with African countries.”

Jiang subsequently added that “China is also committed to developing mutually beneficial and win-win trade relations with African countries.”

Though Jiang’s statements may not explicitly cite a guiding ethical code, even John Stuart Mill himself would likely view Jiang’s words as a modern expression of utilitarian thought. Why do we find China, in essence, invoking an ethical philosophy so seemingly alien to communism? The answer can probably be found in the powerful emotional appeal of the utilitarian message. China likely understands all-to-well that a message grounded upon the principle of advancing the greatest good for the greatest number “sells” considerably better than one featuring unapologetic realism. Notwithstanding the glib rhetoric, evidence points to a reality far different than the utopian-like environment depicted in China’s public relations overtures toward Africa.

Still other public proclamations from China seemingly make their appeal by indirectly paying homage to Kantian idealism. Chinese President Hu Jintao’s 2006 remarks at the opening ceremony of the Beijing FOCAC Summit, for instance, cites China’s continued commitment to the “Five Principles of Peaceful Coexistence”- concepts which, in turn, mirror some of the basic underpinnings of Kantian ethics. Additionally, the Chinese premier vows China’s support for
Africa’s “just struggles” and pledges his country’s commitment to “safeguard their [African states] independence, sovereignty and territorial integrity, and their efforts in maintaining their countries stability, unity, and in promoting the development of the economy.”

While obviously not a verbatim recapitulation of Kant, the intended message remains decidedly Kantian. As previously discussed, China’s faithfulness to Kantian idealism appears no more convincing than is its commitment to utilitarian ethics. The common thread found in each example involves efforts by China to convince Africa that it remains guided by an ethical compass other than that suggested by the preponderance of evidence, self-interested realism.

In examining the ethical dimension of China’s behavior from three varied ethics models, the objective is not to unfairly hold China to a higher moral standard than other states. Indeed, no state throughout history has likely satisfied the Kantian ideal or a pure utilitarian utopia. That said, through this analysis, hopefully a keener picture of China’s ethical motivations emerges. This will prove useful as the focus shifts from the philosophical back to the practical in the next chapter. There we will attempt to assess the extent to which each party in the expanding Sino-African relationship is meeting their objectives.
CHAPTER 4

ASSESSING THE IMPACT

In this chapter the attention turns to assessing both the short and longer-term impact of expanding Sino-African trade. Specifically, we will examine the extent to which African states are realizing the intended benefits associated with their burgeoning relationship with China along with what, if any, unintended consequences may have been encountered in the process. Likewise, the impact from China’s perspective will be similarly examined. Is it realizing its commercial objectives in Africa and is it encountering any unintended consequences as a result of its expanded economic presence in the region?

When it comes to examining the impact of China’s expanded trade with Africa over the past decade, opinions diverge widely. While some observers site data such as a 2007 Pew survey entitled “Global Unease with Major World Powers” as evidence of a widespread view throughout Africa that “China’s growing economic power has had a positive effect on respondents’ own countries,”¹ others argue that its African presence amounts to little more than a “neocolonialism”² whereby Africa supplies the raw materials that China subsequently converts into manufactured goods ultimately destined for sale back to Africa; the net result being mounting unfavorable trade balances with the Asian giant.
As is frequently the case, whether one views China’s expanded involvement in Africa as a blessing or a curse largely hinges on the observer’s vantage point. While China’s appetite for raw materials assuredly has played a pivotal role in SSA’s impressive GDP growth in recent years, because so much of the economic boon derives from Africa’s extractive industries, some disturbing side effects have accompanied the phenomenon.

Due to Africa’s growing dependence on single commodity exports, Pádraig Carmody and other analysts have warned that Africa faces a heightened susceptibility to a “resource curse”. For states like Angola, Nigeria, Zambia, Sudan, and the new state of South Sudan, this reliance not only tethers each country’s economic health to the vicissitudes of volatile international commodity markets, it also potentially invites “opportunities for rent-seeking behavior that [can become] an important factor in a country’s level of corruption.”

Another manifestation of the resource curse involves what Carmody identifies as the “Dutch Disease” – i.e., the concept that when a country’s exports rise precipitously, local currency strengthens as foreign currency becomes relatively more plentiful thus causing it to fall in value compared to the local currency. Assuming free exchange rates, the result is that imports become cheaper while exports of manufactured goods and other price-sensitive products become less economically competitive for the local economy. This, in turn,
thwarts efforts to economically diversify often leaving the country even more reliant on the single commodity.\textsuperscript{6}

Though the reduced costs of imported goods may result in a boon for some local consumers, any benefits are likely fleeting as efforts to broaden the economic base into more enduring and sustainable enterprises are arrested. Making matters still worse, the concentration of wealth typically encountered in single-commodity countries along with the increasing prevalence of the sort of concessional loan arrangements lately demanded by China can make for an onerous economic environment. Along with retarding the expansion of the African middle class, such a scenario can also add to a state’s foreign indebtedness (especially when the price of the commodity used to secure the loan drops abruptly as has been the case in recent months).\textsuperscript{7}

With 90 percent of Africa’s exports to China consisting of raw materials,\textsuperscript{8} SSA runs the risk of depleting its natural resources without developing sustainable alternatives. While the proliferation of substantial quantities of Chinese-produced consumer goods in Africa has (as previously noted) dramatically expanded their availability to a larger segment of Africa’s population, the resulting threat to traditional African employment centers such as the textile and clothing sectors has produced yet another danger – increased unemployment.
Though Nigerian trade unions have blamed Chinese imports for the loss of more than 350,000 jobs while their South African counterparts claim that more than 800 companies in that country have been forced to shutter their doors, other observers offer a more complex and nuanced explanation for the job losses. For instance, Ian Taylor argues that a considerable percentage of the imports deemed most destabilizing by these established African interest groups are not directly exported to Africa by China but instead arrive via African trading networks bearing little to no direct ties to Beijing.

A second noteworthy argument advanced by Taylor concerns a topic presented in this paper’s introduction – the degree to which Beijing controls the business activities of small Chinese manufacturing entities and Chinese shopkeepers who have taken up residence in Africa. Contrasting the activities of China’s state-owned enterprises (SOE) such as SINPEC and CNOOC with those of smaller, more decentralized Chinese commercial activities, Taylor argues that Beijing’s control over the activities of the latter group is tenuous at best. For those who hold China culpable for African job losses, this perspective presents an intriguing twist to the debate.

Other evidence suggests that Beijing is increasingly aware of the potentially crippling impact it is having on African industry. Tangible examples of China’s earnestness in alleviating the predicament include its decision to introduce
export tariffs on 148 lines of clothing and textiles exported to Africa while simultaneously lowering import tariffs on African textiles entering China. While the ultimate impact of these and similar measures may yet to fully play out, the apparent willingness of China to tackle the problem represents a significant development.

For African workers fortunate enough to secure employment through China’s commercial ventures in SSA, an uncertain future awaits. Again, because so much of China’s investments remain centered on extractive industries, the ability to maintain sustained employment levels largely hinges on a set of commodity prices historically prone to large fluctuations.

In Zambia, for example, euphoria surrounding China’s decision to construct a new copper smelter was quickly tempered. As the Zambian government privatized the nation’s copper industry in the late 1990’s, China shrewdly negotiated a minuscule royalty fee of only 0.6 percent during a period of languishing prices for a commodity now so vital to China’s construction surge. Additionally, besides enduring persistently low wages, Zambian workers in some industries routinely face alarmingly dangerous working conditions including the 2005 explosion at the Chambishi mine that killed dozens and touched off massive demonstrations against China.
The issues encountered in China’s extractive industries are also manifested in other ways. As China’s construction boom has dramatically increased its demand for timber and other forestry products, regions such as western and southeast Africa have similarly witnessed a dramatic surge in exports to China. Unfortunately, the combined effects of China’s seemingly insatiable demand along with lax regulatory oversight and inadequate long-term strategic planning on the part of SSA states has resulted in widespread areas of deforestation and even allegations of illegal harvesting of “old growth” timber in countries like Gabon and Mozambique.\(^{15}\)

For other African workers, issues surround not just their occupational safety by also the underlying labor practices of many of the new Chinese-run commercial enterprises. In the South African town of Newcastle, a reporter from *The Economist* observing local conditions noted that “Chinese-run textile factories pay salaries of about $200 per month, much more than they would pay in China but less than minimum wage. Unions have tried to shut the factory down. The Chinese owners ignore the unions or pretend to speak no English.”\(^{16}\)

The story, whether true or apocryphal, represents a viewpoint likely held by many Africans concerning China’s expanded role in SSA. In this case the writer further concludes that China’s ability to persistently undercut the prevailing minimum wage is attributed to the town’s chronically high unemployment rate
that exceeds 60 percent. This painful economic backdrop coupled with lax enforcement of labor laws combine to enable such troubling environments. An anecdotal story cited by the same reporter involves labor inspectors in Lusaka, Angola who possessed only one vehicle (which itself had been broken for four months) in which to monitor the entire city’s proliferation of new sweatshops).  

As previously discussed, China’s increasingly significant presence in Africa has provided states such as Angola and Nigeria an important counterbalance to more entrenched western commercial interests. While this will likely help insulate the countries from the harmful effects of overreliance on a single trading partner, to the extent that China’s investments obviate (or at least postpone) initiatives to strengthen financial transparency, adopt sound commercial governance measures, and adhere to the rule of law, much of the short-term benefits associated with expanding Sino-African trade could serve to ultimately undermine some of China’s longer-term growth prospects.

For states like South Sudan, China’s plan to construct a new oil pipeline clearly presents an intriguing new “game changing” development in that fledgling nation’s efforts to decouple their economic destiny from the yoke of their rival Sudan. Given the engineering, financial, and political risks of this and other similarly ambitious energy projects in the region being undertaken by China, few (if any) would-be competitors possess the requisite resources and will
to undertake such initiatives.  Whether these and other projects fulfill their projected promise, or instead experience the fate of NIGCOMSAT-1 (the Chinese-built communications satellite launched for Nigeria which failed after 18 months of operation due to malfunctioning parts) remains uncertain.

For China, the expansion of Sino-African trade from $10 billion in 2000 to $127 billion in 2010 has in many ways exceeded even the most aggressive projections of Beijing’s central planners. In accordance with their long-term strategic planning, the increasingly challenging search for copper, timber, and especially oil, has been significantly aided by China’s skillful maneuvering on the African continent. Though any foray as elaborate and multifaceted as China’s African initiatives predictably must encounter its share of setbacks and unforeseen challenges, China has managed to whether each storm with a degree of resilience that few, if any, states are capable of. That said, a fundamental question that remains is whether China’s short-term policies and tactics run the risk of undermining the nation’s longer-term equities.

In its quest to secure investment deals over its commercial rivals, we have seen how China has skillfully employed a variety of tools to outflank their competition. Less clear, however, is the enduring financial viability of some of the projects. Though China’s SOEs may at times benefit from not having to endure the same level of analytic scrutiny that governs investment decisions of
most western firms, the same nimbleness that has repeatedly allowed Chinese firms to prevail over their more risk-averse competitors has the potential of coming back to haunt China should the projected benefits of some of the riskier undertakings fail to materialize. Examples such as China’s investment in a Nigerian oil refinery represents just such a gamble that no western investors were willing to undertake after conducting their customary levels of due diligence.20

Another important dimension of the vulnerability of China’s African investments concerns the mounting political risk that accompanies a number of their more visible projects in several SSA countries. Whether one considers China’s investments in oil pipelines and refineries in Sudan, the new Gibe III dam in Ethiopia, or its extensive agricultural investments in Zimbabwe, China faces an uncertain political climate in many of the states in which it is most heavily invested. While the same can arguably be said of western investments in Angola, Nigeria, or even Zambia (countries that China is now similarly exposed to financially), China’s massive expansion of activity in some of Africa’s most politically-volatile environments makes for an investment climate arguably riskier that that currently confronting other states possessing sizeable holdings in SSA.
Besides the domestic political risk China confronts in a number of the countries with which it has its most sizable investments, it simultaneously faces still other challenges related to its practices (or at least perceptions about its practices) in many parts of SSA. This includes international fallout over China’s perceived indifference to environmental concerns as well as allegations of illegal importation of products obtained from endangered species such as ivory. Along with the previously described issues surrounding purported harvesting of old-growth timber in western Africa and Mozambique, China likewise faces allegations that it acquired ivory from Zimbabwe in exchange for Chinese-manufactured guns to Mugabe.21

As environmental consciousness continues to gain heightened international attention, China’s perceived disregard for the environmental consequences of some of its actions serves to potentially undermine not just its commercial activities in SSA but also its longer-term goal of advancing its status as a responsible player on the world stage. If left unchecked, the future willingness of other states to continue to enter into new ventures with China could ultimately suffer as international pressure to arrest these activities gains traction.

In contrast to other international actors in Africa, China faces another unique challenge as its presence becomes more conspicuous and varied. As noted
above, China’s African foray is no longer limited to SOEs and now includes a wide assortment of commercial enterprises with which Beijing is almost powerless to control and regulate. As the dealings of these newer participants to the African scene clash with the customs and aspirations of local populations, China will increasingly be vulnerable to popular backlash, whether justified or not.

The chilling incidents of kidnappings (and in some cases murders) of Chinese workers in Nigeria and Sudan, rioting in Zambia over Chinese treatment of Zambian miners, and the embarrassing depiction of Chinese goods sold in Zimbabwe as zhing-zhong are but a few of the recent manifestations of anti-Chinese sentiment in the region. China’s de facto encouragement of easy immigration to Africa (while alleviating to some degree its own domestic overpopulation struggles) cannot continue to proceed unchecked without longer-term negative repercussions.

In securing a number of their commercial deals, part of China’s ingenuity has been its ability to craft agreements that appeal to a country’s governing elites. The very measures that many African leaders often find attractive such as public stadiums, governmental buildings, or other high-visibility projects, however, can easily run afoul of public sensibilities when promised benefits fail to accrue to a sufficiently large segment of the population. China’s credibility (not to mention the protection of their commercial interests) is jeopardized whenever it takes
actions that, however popular with a country’s political elite, diverge significantly from the desires of significant segments of the local population.

Finally, though China may have demonstrated an uncanny ability to forge vital relationships spanning the full gamut of governmental types from stable democracies brutal authoritarian regimes, an eventual “day of reckoning” could be in store should it fail to take a more judicious approach to its bilateral relationships. As evidenced by the international rebuke China encountered during the “Genocide Olympics” campaign launched to draw attention to China’s perceived culpability over the Darfur crisis in Sudan, when international attention reaches a critical mass, unexpected consequences can quickly ensue in ways beyond the direct control of the affected parties.

If left unchecked, the risk to China could extend beyond its efforts to protect its financial interests in Africa and additionally threaten other contentious policy issues such as the treatment of the people of Tibet, the controversial relationship with indigenous minority groups within China,\(^\text{23}\) and the escalating resource struggles with neighbors such as Burma.\(^\text{24}\)
CHAPTER 5

CONCLUSION

Of the many phenomena arising from the dramatic expansion of Sino-African trade over the past decade, one the most intriguing is the unprecedented level of economic (and in some cases political) interdependence between the parties. As we have seen, China’s bilateral relationships with Sub-Saharan Africa have taken many forms. From its deep and enduring associations with Zimbabwe and the Sudan, successful commercial advancements in Angola and Nigeria, to more recent overtures in South Sudan, China repeatedly has demonstrated a remarkable ability to advance its objectives by cleverly adapting to highly varied environments.

Recalling the original aims of the thesis, we are now in a position to offer some conclusions to the earlier questions posed. Specifically, what are factors behind China’s relative ease at gaining access in some states more than others? Secondly, what are the legal and ethical consequences of China’s activities in SSA? And lastly, what is the short and longer-term impact of expanding Sino-African relations and are the benefits (as perceived by each party) being outweighed by the costs?

Though the set of factors that play into a state’s level of receptiveness to expanded trade with China remain varied and complex, several key themes have
emerged from this study. Perhaps the most significant concerns the seminal change in China’s foreign policy thrust over the past two decades. For a country that once based its bilateral alliances largely on the extent to which the other state embraced China’s Maoist ideological view, the shift to a policy approach centered on an opportunistic advancement of China’s national economic objectives represents a transformation so fundamental that it touches virtually every aspect of this thesis.

As part of this evolutionary change to a largely market based trading posture, China’s commercial activities in a number of states increasingly have taken on many of the characteristics of some of SSA’s more established trading partners. Whether vying against its western competitors for oil concessions in Angola or aggressively peddling its manufactured goods in Botswana, China has frequently managed to outflank their rivals using traditional free market approaches.

In other instances, however, China has shown a similar willingness to employ more questionable tactics. These include exploiting its political leverage as a permanent member of the U.N. Security Council and luring African trading partners into deals through the extension of loans under terms allowing the borrowers to forgo institutional reforms demanded by other would-be lenders. Given the divide that frequently separates the interests of African elites with those of the larger populous, China’s commercial successes have sometimes
come at the expense of what many would consider the long-term best interests of large segments of the African people.

That said, despite calls in some quarters that China’s behavior in Africa amounts to little more than neocolonialism, the absence of any coercion in their deal-making makes it difficult to validate that charge. While pariah regimes like Sudan and Zimbabwe may owe their extensive commercial ties with China due to the fact that most responsible states refuse to trade with them, many more nations have expanded their trade simply because it remains in their best economic interests to do so.

Since an important reason behind Africa’s languishing progress is its woefully inadequate physical infrastructure, China’s willingness to undertake the sort of massive new public works projects historically shunned by others offers a number of states promising new options for which no realistic alternatives exist. Notwithstanding the very real problems it faces when it comes to perceptions about its commitments to local labor and environmental laws, China currently enjoys a generally favorable public image throughout much of Africa as measured by prominent public surveys.

As China’s presence in Africa grows, public perceptions about its behavior could change. In those countries in which China’s involvement remains balanced with that of other international players, it generally has not suffered the same
public relations embarrassments that it has in, for instance, Zimbabwe and Zambia – two economically struggling states where China’s activities have conspicuously risen in recent years. This phenomenon suggests that should the growth in China’s penetration of the African market (in terms of both imports and exports) continue at its current pace, Beijing could increasingly find itself a victim of its own success as aggrieved population segments threatened by China’s rise single the country out as a convenient scapegoat.

When it comes to the legal and ethical realm, China’s actions in Africa present a peculiar paradox. For a country seemingly so astute in advancing its commercial interests, China is developing a reputation of selective adherence to a number of legal safeguards followed by much of the rest of the industrialized world. As a result, embarrassing episodes such as the “Genocide Olympics” campaign as well as mounting international concern over alleged illegal timber harvesting are just two examples of what could be a prelude of future controversies should China fail to act more responsibly in the region.

On the ethical front, this thesis advances the case that China’s actions are most consistently aligned with the realist tradition. While this conclusion hardly renders China unique when compared to the ethical standards shaping the actions of other leading powers, what is different about China’s approach if the degree to which it attempts to convince Africa otherwise. As we have seen,
China’s multifaceted charm offensive towards Africa implicitly draws (at least in part) upon the philosophical underpinnings of both utilitarian and Kantian ethics. While the resulting message undoubtedly carries greater marketing appeal than would an alternative approach that links China’s actions to the self-interested pursuit of its national interests, as African perceptions clash with China’s ethical rhetoric, Beijing’s goal of winning the enduring support and respect of the region could be undermined.

A final conclusion of particular note centers on the sustainability of China’s current policies in SSA. Few serious observers would argue that the abandonment (or at least the postponement) of measures designed to promote better corporate governance, financial transparency, or adherence to the rule of law enhance Africa’s prospects for future economic prosperity. Nonetheless, China has joined powerful African interest groups vested in preserving the status quo in thwarting these key reforms.

Besides the ethical issues posed by its actions, China itself stands to suffer as its expanding investment base in SSA becomes increasingly susceptible to the very maladies that these remedies are designed to alleviate. Until such time that Africa earnestly embraces these reforms, China will likely face a frustrating dilemma. Should it continue to oppose the adoption of these measures and thus preserve some of the leverage it possesses over its more reform-minded
competitors, or instead help preserve its existing (and perhaps future) investments by joining the chorus of other voices insisting on fundamental improvements.

As previously discussed, SSA is in the midst of a number of profound changes that likely will affect the continent for many years to come. Despite the assortment of mutually beneficial results stemming from Africa’s expanding ties with China, the changes have come as a mixed blessing. For all the impressive short-term gains being realized in a number of Africa’s most resource endowed states, in some cases the advances are coming at a long-term cost not adequately factored in by either party at the outset.

Following this evolving story will serve as an intriguing springboard for future research and analysis. Along with a continued focus on the economic and political dimensions of these new relationships, subsequent researchers should likewise not lose sight of the power of ethics. Of all the factors likely to influence the future direction of Sino-African relations, this element could ultimately eclipse all others.
INTRODUCTION


2 Because The Gambia, Burkina Faso, Swaziland, and São Tomé and Principe presently diplomatically recognize the Republic of China (Taiwan), the four nations do not share diplomatic relations with China and are not eligible for foreign aid. Commercial exchanges between China and the four states still, in some cases, exist.

3 Ian Taylor, China’s New Role in Africa (Boulder: Lynne Rienner Publishers, 2010), 8.

CHAPTER 1


3 FOCAC, “Beijing Declaration.”


11 Ibid.


15 Ibid.


18 Ian Taylor, China’s New Role in Africa (Boulder:Lynne Rienner Publishers, 2010), 48.

19 Ibid., 50.


22 Taylor, China’s New Role, 20.


26 Bosshard, “China’s Environmental Footprint in Africa.”


28 Brautigam, Dragon’s Gift, 156-157.


CHAPTER 2


7 Ibid.

8 Brautigam, *Dragon’s Gift*, 34.

9 Ibid., 67.

10 Taylor, 129.


20 Brautigam, *Dragon’s Gift*, 263.


25 Ibid.


31 “Dockers Refuse to Unload China Arms shipments to Zimbabwe,” *The Times (UK)*, April 18, 2008.


36 Taylor, China’s New Role, 49.


CHAPTER 3


2 Ibid., 251.


9 Ibid., 65.


16 Bratigam, The Dragon’s Gift, 300-301.


19 Ibid.

CHAPTER 4


3 Taylor, China’s New Role, 162.

4 Pádraig Carmody, Globalization in Africa: Recolonization or Renaissance? (Boulder, Colorado: Lynn Rienner Publishers, 2010), 63-64.


6 Carmody, Globalization on Africa, 52.


10 Taylor, China’s New Role, 168-169.

11 Ibid., 167.

12 Liang Guixan, “Perspectives on China-Africa Trade and Economic Cooperation”, Presentation by Minister Counsellor Liang Guixan at the 4th Tswalu Dialogue, (May 9, 2011)


17 Ibid.


21 Taylor, China’s New Role, 123-124.


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