

2015: This was the real year of the Chinese dragon in Africa

JOHANNESBURG, South Africa, December 28, 2015 (Mail & Guardian Africa) -- AMIDST the high-level satisfaction about China's tripling its aid and investment package to Africa announced early this month in Johannesburg, one leader was casting his net much further out, and it was one who wasn't even there.

"I would like... to commend President Xi Jinping on the Silk Road Economic Belt and the 21st Century Maritime Silk Road initiatives he has launched. Given its geographical location, the Kingdom of Morocco could play a constructive role in extending the Maritime Silk Road, not only to 'Atlantic Europe', but also and especially to West Africa nations, with whom my country has multi-dimensional ties," Morocco king Mohammed VI said in his speech read by Government chief Abdelilah Benkirane.

Mohammed has read the signs of the times: underneath the economic focus of the Forum on China-Africa Cooperation (FOCAC) summit was the reality of China preparing the African ground for the extension of its new aggressive foreign policy, which seeks to make the Asian country a global powerhouse and shift the balance from a US-dominated polarity.

Nearly 50 African leaders attended the summit, only the second in the partnership's short 15-year history—a long way from just four who gave some gravitas to the first meeting in Beijing in October 2000, when it was still at ministerial level.

The first full summit took place six years later, when both sides sensed they were on to something. And a side-by-side comparison of the two policy papers released by China shows just how much Africa has changed, and how it has in ways remained the same.

In November 2006, China was not the economic giant it is now, a march that has vaulted it past a host of other economies including Japan to hoist it onto its current perch as the world's second largest economy and, by some estimates, only a matter of years before it powers past the United States.

The words at the Beijing summit were relatively benign. “The forging of a new type of China-Africa strategic partnership is determined by the dynamics of China-Africa cooperation, and it represents our wish to promote global peace and development,” president Hu Jintao said at the summit he was co-chairing with Ethiopia’s Meles Zenawi.

There was notably little of the old anti-Western rhetoric, and the near-business like meeting highlighted just eight areas of targeted co-operation. The resulting deal saw general aid, \$5 billion in concessional credit, a fund to support Chinese companies moving into Africa, and debt cancellation.

New real estate for AU

A new conference centre would also be built for the African Union, in addition to an upper limit of five economic cooperation zones.

The trade volume between the two sides in 2005 had been \$39.7 billion, prime minister Wen Jiabao said, a near four-fold growth from 2000, with China’s direct investment placed at \$6.27 billion.

The relationship has grown meteorically since, with state-funded companies muscling out the private sector and the rhetoric changing, as Beijing realised the clout that it could build on a continent seeking economic alternatives. The strengthened ties are seen as a pillar of the continent’s rise since the turn of the century.

Last year, the two sides traded at least \$220 billion, and the backbone of the Johannesburg wishlist was much the same. But [the headline](#) financing figure was now a much improved \$60 billion, a statement by Beijing following recent doubts over its ability to prop up many resource-dependent economies.

The customary reference to long-standing ties was also there. “Our relationship with China stood the test the time and is destined to continue flourishing for many years to come,” Zimbabwean President Robert Mugabe, the chairman of the African Union, said in a speech.

But the relationship has since been recast as a race between the West and the East, and African leaders have sought to play up against each other for economic benefit in a hark-bark of sorts to Cold War-era intrigues.

In a political push-back against the West, the continent has on the surface sought to portray itself capable of solving its challenges, a concept that president Xin Jinping seized upon. “China strongly believes Africa belongs to the African people and African problems should be handled by the African people,” he said.

China has also been key in shielding the continent at the United Nations Security Council where it holds a veto, most notably when in 2008 it rode to Zimbabwe president Robert Mugabe’s rescue following a US-backed resolution to institute crippling sanctions.

But the Johannesburg summit was followed avidly for two main reasons. First, following years of a super-cycle that saw China import massive amounts of African resources, providing a tailwind for Africa’s growth in the last 10 years, this was now changing. In the first half of this year, Chinese investment in Africa fell more than 40%, as China’s economy slowed, roiling global markets

There has been much debate over whether it has been a managed move, as the country looks to transition to a consumption-driven economy like most of the developed world, or whether it is just a blip. The resulting market uncertainty, especially in emerging markets where currencies were heavily punished, was enough to see the US Fed hold off on an interest rates hike in September, before finally going through with it in December.

Worried African leaders were thus seeking reassurance that the Chinese gravy train was not coming to an end.

Secondly, China’s new policy paper also brought in new areas of cooperation such as China pledging to invest in renewable energy and in the industrialisation of the continent, the former an emerging area that is drawing many investors—the majority of the from Europe and the US—and which could see Africa’s energy deficit narrowed.

Security architecture

But it is China's decisive venture into the continent's security architecture for the first time that has stoked much debate, with the joint summit declaration pledging to "support the building of the collective security mechanism in Africa."

Beijing has been gradually drawn out of its military shell regarding Africa as its economic interests have become increasingly threatened. Nowhere was this more evident than in flailing South Sudan, in which it has been invested in oil. China was more hands-on in the mediation following the eruption of civil war, and in January started deploying a peacekeeping battalion—it's first ever and which now stands at 1,000 personnel—to the troubled country.

It also [recently confirmed](#) that it was in talks with Djibouti to establish a military base in the strategic country following months of coyness on the issue, while [sp](#)
[eculation of a second base](#)
in Namibia has in recent weeks strengthened.

The inference has been that China is now prizing stability in its key markets, as it seeks to entrench itself as a global economic power, and crucially, a geopolitical one.

In 2013, it launched its One Belt, One Road' (OBOR) strategy, which refers to the land-based Silk Road Economic Belt and the 21st Century Maritime Silk Road that Beijing has crafted as its vehicle to global dominance. Early directions are that it sees the continent as fitting neatly into it, on the back of billions of dollars worth of investment in much-needed infrastructure.

The 'Road' actually refers to a maritime path—"a string-of-pearls"— that seeks the use of sea-lanes and the investment of billions into deepwater ports along the eastern Indian Ocean seaboard that will create paths for Chinese goods and firms, growing its export markets.

China's One Belt, One Road. Infographic courtesy of Mercator Institute.

The Berlin-based think-tank Mercator Institute for China Studies (Merics), which has been tracking the route keenly, says that China is pursuing three main goals: diversifying its economy, deepening political stability and the establishment of a multi-polar global order.

“From an economic perspective, China strives that the development of new trade routes, markets and energy sources will result in growth impulses and at the same time reduce dependencies.

Infrastructure projects

“As China finances most infrastructure projects Beijing is also able to increase its political influence. Many countries along the Silk Roads depend on Chinese infrastructure investments.”

The establishment of the Asian Infrastructure Investment Bank, AIIB, and the Silk Road Fund are among the funding sources expected to meet the financing—the former having been initially opposed by the US in a sign of Washington’s concerns over the plan’s reach.

Despite these behind-the-scenes geopolitical realignments, the South Africa FOCAC summit referred to the OBOR only in general terms, saying that both sides “would actively explore the linkages” between it and Africa’s economic integration and sustainable development agenda.

A large part of it is because the continent’s leaders are more involved with the pressing and existential issues that China’s presence is helping tackle. But the deeper reach of China’s engagement is bubbling not too far under the surface, and this year will be a reference for many observers of the China-Africa relationship when shifts are re-analysed.

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