

## Russia needs to emulate China's example of successful economic expansion into Africa

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**MOSCOW, October 23, 2011 (TRCW)** - Just within a time span of 20 years, China made a huge success in the implementation of its long-term foreign strategy policy aimed at an aggressive economic expansion of the zone of its geopolitical influence globally in general and in Africa in particular. The success of the 'celestial state' in Africa could be compared to the achievement of the Soviet leadership's prudent policy in the second half of the 20th century, which made the Soviet Union, with the support of its so-called satellite partners in the communist camp all over the world, an undisputable leader in terms of spreading its geopolitical influence across the "Black Continent."

It must be specifically noted here that right until its collapse, the Soviet Union was able to relegate such international heavyweights as the United Kingdom and France as well as other Western countries to the background in most of African countries, where they had traditionally played hegemonic roles since the colonial times. However, the sudden collapse of the Soviet Union in 1990 resulted in a geopolitical vacuum in Africa, which, certainly, could not last long. Back then, the leadership of the new post-Soviet Russia, which was facing acute manifestations of political chaos, complete economic collapse and a socially explosive situation in the public life, bordering on the verge of open fratricidal civil war, had no resources for holding on to the Soviet Union's geopolitical and economic legacies in Africa. Indeed, the new political powers in the Kremlin were more preoccupied with self-preservation as well as preventing Russia from passing the point of no return towards Yugoslavia's bloody break-up scenario.

At the same time, apart from Moscow's key traditional competitors in Africa that wanted to boost their positions, there were the new and more ambitious geopolitical players, notably, China, willing to occupy the vacuum created by Soviet Union's demise. However, China, unlike the Soviet Union, which had built its successfully rapprochement policy with its key African partners on a jointly shared ideological aspiration towards the so-called 'brighter communist future,' has based its policy for active economic expansion of its geopolitical influence in Africa more on cold calculations, economic pragmatism and geopolitical expediency.

China's general position in the world as a whole, and in Africa in particular, began to change dramatically at the end of the 20th century, when Beijing — having accumulated unprecedented economic potential, and having stabilized the rather explosive social and political situation which existed in the country at that time — made other sovereign geopolitical players to respect its core national interests on the international arena. The positive results of this policy were not long in coming. Thus, by 2008, it was not only the U.S. intelligence services, but several other major analytical centers in Western countries that started forecasting with near-absolute certainty that China as early as by 2025 would become the world's second largest powerful nation in terms of economic and military might, and become the global leader in a span of another 20 years.

However, thanks to the current global economic crisis, which has inflicted serious financial damages on top Western economies and Japan, including other members of the elitist G8 club, China was able to become the world's second largest economy in terms of GDP much sooner than forecast in early 2011. These positive trends have made authoritative experts from leading global analytical centers to unanimously state that the future now belongs to China as it is on straight course to stamping its rapidly increasing unquestionable economic hegemony and political supremacy on the whole world for years, and even centuries, to come.

The robustly growing Chinese economy needs vast resources, a fact that puts the nation's political leadership into an extremely serious dilemma of how and what routes to take to secure reliable sources of supply of resources urgently needed for the country's economic growth and further development in the long term. But it does not really have lots of choices, which, to be more precise, are actually just three.

The first option lies in the South-East Asia and Oceania direction, a promising source, but with one significant disadvantage. This is because a sudden acceleration of Beijing's economic activities in this region will unfailingly provoke serious conflicts not only with Japan and the United States, which traditionally see this region as a special zone of their geopolitical influence, but also with the United Kingdom, which has traditionally defended its own interests in the British Commonwealth states. Open competition, and more so conflicts, with such giants would be disastrous for China, at least, for now.

The second option is Russia's Siberia and Far East region. This direction also equally looks attractive, as it would provide the Chinese economy with an unlimited access to Russia's vast oil, gas and the other natural resources. However, here the Chinese are also likely to encounter serious, and sometimes, even insurmountable problems, including a probable confrontation with Moscow. Such a scenario is also undesirable for Beijing, a reality that is evident from its policy of so-called "soft economic expansion" into Russian territories.



This leaves Africa, with its abundance of natural resources, as the third and only option, where direct confrontations with traditional global powers or nuclear states are least expected. Beijing's political cooperation with many African countries, according to the well-known Russian writer, Roy Medvedev, who has written extensively on the analysis of African policy in China's foreign strategies, began developing as early as in the 1960-70's in the form of alliances in their

joint anti-imperialist struggles. However, since the mid-1990s, the main focus of China's relations with Africa has dramatically shifted to a platform of closer economic cooperation. This period saw several pan-African tours by the members of China's top political leadership, who collectively visited about 20 leading countries on the "Black Continent". Specifically, then-Chinese president and Communist Party Chairman Jiang Zemin visited Kenya, Ethiopia, Mali, Egypt, Namibia, and Zimbabwe in 1996, while ex-Chinese Prime Minister Li Peng visited six countries on the African tropical belt in 1997.

In those years, China's total trade turnover with all the African countries combined was a paltry \$4bln per year, a very insignificant figure even in those day, as it amounted to just only 1.5% of China's total foreign trade turnover. However, by the end of the 1990s, China had developed an ambitious plan of long-term strategic economic cooperation with African countries that are endowed with huge natural resources, a plan that was vigorously implemented in 2000-09. To begin with, in 2000-03, China wrote off fully or huge parts of over 30 African countries' debts totaling several billions of U.S. dollars, a step that additionally contributed to the acceleration of the growth rates of their economic cooperation.

All these policies changed China's status in the region. Suffice it to say that by the beginning of 2008 the aggregated trade turnover between China and African countries totaled almost \$110bln, while its direct investments on the continent stood at \$10bln in 2008 alone. All these events today have elevated China into the second spot after Europe in terms of volume of investments and trade with Africa. At the same time, the China-Africa trade turnover has been increasing by about 30% per annum for the past five years, a trend that now makes China the fastest growing sovereign international player on the continent.

It is, therefore, not really surprising that the Chinese language has now been inducted into the academic curricula in most of African secondary schools and universities, as Beijing broadens its influence into linguistics, education and culture, the last bastions of the West's dwindling

influence on the continent.

China has attributed its 'glowing success' to its prudent foreign policy strategy of non-interference in the domestic affairs of its economic partners in Africa. Specifically, China, unlike Western countries, has never demanded from its African partners strict adherence to foreign values that are alien to them, or set impracticable conditions, such as mandatory development of Western-style democracy as a non-negotiable prerequisite for kick-starting bilateral economic cooperation. It must be noted here that such stringent conditions often demanded of African leaders by their Western counterparts are in most cases not achievable for purely objective reasons.

A perfect example of such diplomatic tactics in Africa is Beijing's highly productive cooperation with the leadership of Sudan, where it has completely disregarded the International Criminal Court warrant sanctioned by the UN in 2008 for the arrest of the incumbent president, Omar Hassan Ahmad Al-Bashir, accused of committing genocide in the South Sudan region of Darfur. China needs Sudan's oil resources, estimated at about 2bln barrels, and today it is almost the sole importer of all the oil exported by Sudan. In exchange, it is not only building oil pipelines in the country, but also hospitals, schools, roads and other types of social infrastructure.

In this context, a recently conducted referendum on the independence of Southern Sudan from Khartoum could deal a serious blow to China's interests in the country, as most oil deposits are located in the south, whose leadership is not very happy with Beijing's unconditional support of the official Khartoum during its struggle for autonomous nationhood. It is also interesting to note here that the perennial conflicts between Northern and Southern Sudan, just like several other intertribal and ethnic conflicts in post-colonial Africa, had been 'programmed' by Britain during its protectorate over the country.

To further consolidate its current hegemonic grips on the continent, China launched a major project aimed at the creation of several "Special Economic Zones" (SEZs) in Africa in 2007. In this case, Beijing decided to use its successful experience in creating such SEZs in China in the 1980-90s. The first SEZ has been slated for creation in the Zambia's so-called "Copper Belt." The second SEZ, planned for the Island of Mauritius, will serve as a major trade hub for China, as it will provide over 40 areas of Chinese businesses a privileged access to the trading opportunities offered by the Common Market for Eastern and Southern Africa. Moreover, Mauritius will provide China with an unimpeded access to the Indian Ocean and South-East Asian markets. The third SEZ will be created in Dar es Salaam, Tanzania's former capital and largest commercial city. Besides, China also plans to create two more SEZs in other parts of Africa, which Nigeria, Liberia and regional heavyweights are contending to host on their territories.

Judging by the frequent strident statements from Beijing, it is most unlikely that the Chinese will limit themselves only to their ongoing investment projects in Africa. This is particularly obvious from the declarations made in 2009 in Beijing by the nation's political leadership at the Chinese-African Summit that was attended by almost all the leaders of African countries. Speaking at this high-profile meeting Chinese President Hu Jintao, predictably, harshly criticized Western countries' policies in Africa, while at the same time promising to double Beijing's current sum of financial aid to the entire continent. It must be noted that this summit took place at the peak of the global economic crisis, which was unprecedented in terms of the scale of its negative consequences, but this notwithstanding; Beijing was able to keep its promise on time and in the amount agreed.

Besides, Beijing has also created a special-purpose multibillion investment fund for Africa aimed at further promotion of Chinese investment projects, brands, goods and services in all national markets on the continent. In addition to the investment fund, China has also promised to grant large investments and credits to specific countries in the region. It is, therefore, not surprising that several African countries, after receiving 'soft multibillion-dollar loans' from China on highly attractive terms, lost all interests in IMF and other Western institutions-backed financial credits,

often granted on draconian terms and/or subjected to other tough and humiliating preconditions that are extremely disadvantageous for the borrowers. Therefore, the African direction in China's foreign development policy at the turn of the 21st century has become enshrined in mutually beneficial strategic cooperation in all spheres of diplomatic cooperation for all the parties involved, Beijing on one hand and the African countries on the other.



This is why Kremlin, in the context of the emerging new post-crisis world, needs to thoroughly study China's positive experience of aggressive expansion of its zones of economic and geopolitical influence in Africa. This valuable lesson is needed for the right positioning of Russia and effective protection of its strategic national interests not only in Africa, but also in other regions of the world. For this purpose, Russia, which sits on two continents, Asia and Europe, needs to minimize its rather lopsided dependence on mostly European values, Western European values, to be more exact, most of which have been recently fully discredited by the ongoing global crises, including those in the Arab world. Instead, Russia should learn more from China's use of invaluable oriental diplomatic tactics on the international arena.

For instance, China's foreign policy of non-interference in internal affairs of its economic cooperation partner countries is one of such priceless lessons. Such interventions, in Beijing's understanding, are absolutely necessary only when they serve its national interests not only within the framework of current cooperation, but also those envisaged in long-term strategic partnerships. The significance of this lesson for Russia is well illustrated by the example of the UN's recently adopted controversial resolution on Libya. The Western coalition countries,

headed by the Great Britain, France and the United States, which had strongly seriously lobbied for the adoption of the resolution, for well-known reasons, do not have any significant diplomatic, much less any economic presence in Libya. This fact, probably, explains this troika's stubborn determination to punish the nation's defiant leader, Muammar Gaddafi, at the first available legitimate opportunity in the past 40 years.

However, Russia and China, unlike their Western partners in the UN Security Council, have lots to lose from this resolution as they have very warm relations with Libya, at least, had, before the adoption of the No-Fly-Zone resolution that authorized NATO-led air raids on the country. Here, China demonstrated its highly praised foreign policy prudence in diplomatic affairs. This is because although neither Beijing nor Moscow had used their right of veto, the scope of economic losses in Libya from this decision for both countries differs enormously to Russia's disadvantage, since the initial level of Moscow's economic cooperation with Tripoli was much higher than that of Beijing. This fact, probably, explains China's surprising decision not to use its right of veto, since it practically stands to lose nothing, unlike Russia, which, according to the most conservative estimates, stands to lose between \$5bln and \$10bln.

As it turned out, it was only Russia among all the permanent UN Security Council members that adopted the resolution on Libya, had something to lose in this Arab country, and actually did so by silently joining the Western coalition. It would be interesting to speculate how Beijing would have acted if Sudan were in Libya's boots, taking into consideration the fact that China had invested billions of dollars into the Sudanese economy with a long-term perspective in mind.

The answer to this rhetorical question constitutes the second lesson for Russia from China's experience, and that is how to quickly learn to pretend to be playing with both partners and competitors by common rules, while in reality it is actually playing according to its rules and solely for its best interests. The West has been doing this for centuries, while China, currently fighting for global leadership in global economy and geopolitics, has not only borrowed this



failure-proof practice from the West, but has transformed it into a refined diplomatic skill that works real wonders on the international arena. Now, it is Russia's turn to master this skill and gain from its abundance of opportunities on the global arena.

*\*\*\*This article was based on the analytic materials compiled by the Center for Strategic Estimations and Forecasts.*