China in Africa Examining Chinese Foreign Aid in Africa and Implications for US Interests

Zachary DesJardins

University at Albany, State University of New York

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China in Africa

Examining Chinese foreign aid in Africa and implications for US interests

If you are not against us, you are with us.

Abstract: China’s engagement with Africa has drawn the attention of policy makers worldwide. While Chinese interests in the region appear relatively passive at present, there is the potential for either a detrimental or largely positive impact on US interests. I assert that the US should engage with Chinese to support both their interests while providing a quantum leap for African development.

Zachary DesJardins
Department of Political Science
Rockefeller College of Public Affairs and Policy
University at Albany, SUNY
Undergraduate Honors Thesis
Thesis Adviser: Mark Baskin, PhD.
Faculty Adviser: Victor Asal, PhD.
**Introduction**

This thesis will disprove the conventional wisdom that Chinese foreign aid policy in Africa is detrimental to US interests. By utilizing case studies on Zimbabwe, Sudan and the Democratic Republic of Congo and if properly engaged, the US and China can work together to resolve some of Africa’s intractable issues while providing a new pathway for increased economic development for Africa. To assist the reader in understanding the arguments made, an overview of China foreign aid policy is provided.

There are two major international relations theories for interpreting China’s foreign aid policy in Africa: realism and liberalism. A response based on the realist theory of international relations requires the US to respond with hostility. Such a response would include measures designed to negate Chinese foreign aid policies considered detrimental to US interests. A response within the liberalist theory of international relations sees Chinese foreign aid policy in Africa as being beneficial to US interests. This response would likely call for collaboration on joint, non-adversarial African interests, ultimately culminating for a largely positive development for US interests. My interpretation and subsequent policy suggestion will conform within the liberalist confines.

**Research Design**

**Importance of Issue**

From a policy perspective, this issue represents an opportunity to define the US-China relationship outside of direct country-to-country interests, meaning issues that are only between the US and China. Actions taken will define US-China foreign relations for years to come. It should provide the US with an important medium to include China for roles in solving some of
Africa’s entrenched conflicts and problems in the Congo, Sudan and Zimbabwe while taking advantage of the investment opportunities in those developing economies.

**Previous Research**

Traditionally, academic research and mainstream media articles have largely portrayed Chinese foreign aid policy in Africa as little more than a grab for natural resources. This is reflected in conventional wisdom and the realist theory of international relations in that China is viewed as a competitive threat to US interests. However, recent research and a growing number of media articles have an updated viewpoint that better reflects the overall aim of current Chinese foreign aid policy. The Chinese appear to have softened their stance on the most blatant violators of human rights as they seem more attentive to their international image. This has been demonstrated through the nomination of a special envoy to Africa in additional to loans to Zimbabwe have been cut off due to lack of payment and to a lesser extent due to the reaction by the international community. The Chinese also seem more pro-active on promoting their views on human rights and are moving away from justifying their policies using the sovereignty arguments, an argument which helped to fuel the criticism from the research reflecting conventional wisdom. Thus, this opens the door for increased US cooperation in Africa with China.

**Argument**

Contrary to conventional wisdom, this thesis will disprove that Chinese foreign aid in Africa is detrimental to US interests in the region. Strictly viewing only the headlines, Chinese policy does seem detrimental to US interests. Chinese foreign aid policy of leveraging a country’s natural resources for economic development projects provides an attractive alternative to US foreign aid programs. Instead of dictating the terms of such assistance to include human
rights, good governance and other soft power projects, China argues that attaching such policies to foreign aid projects is a violation of that country’s sovereignty, which is attractive to those countries who do not qualify for US aid on those bases. Those headlines make that argument that the Chinese expanded programs in Africa after Mao’s death, cut them in the 1980’s and revitalized them recently in order to develop Africa’s natural resource potential. However, there is much beyond that simplistic interpretation.

Through analysis of China’s official foreign aid policy, past and present, the following can be shown. The Chinese have been successful at utilizing foreign aid programs to build external support for their human rights agenda within international organizations, particularly at the UN General Assembly and Security Council. China’s foreign aid policy aims to better its international image, about which it cares very deeply, and which contradicts the conventional wisdom argument that China supports violators of human rights. Recent actions by senior Chinese officials denote this change of direction with support for Zimbabwe and Sudan. This shift in policy provides an opening for a US-China partnership for addressing fundamental African issues of interest to both countries.

**Definition of Terms**

Foreign aid is defined as the “annual subsides and subventions are a time-honored means of assuring the loyalty of client states (Dictionary, page 8).” Foreign aid is a means for wealthy countries use foreign aid to cultivate relationships with client countries where the donor anticipates that “the economic well-being of an indigent ally will strengthen both parties in their pursuit of common objectives (Dictionary, page 9).” The second part of the definition states that donors view foreign aid as a way to better the economies of recipients in order to strengthen the
client-donor relationship towards pursuing common objectives. China foreign aid policy falls within that definition.

The definition of foreign aid was further broken down by the Organisation for Economic Co-operation and Development’s (OECD) Development Assistance Committee in 1969 and 1972. Officially Defined Aid (ODA) must be government concessional funding with a grant element of 25% or more and be given developing countries or through institutions who then distribute ODA less directly. ODA must promote economic and welfare development. Other Official Flows (OOF) is any assistance that does not meet ODA guidelines (Brautgam, 2010). OOF often includes loans with competitive or even interest free rates. The term foreign aid encompasses both OOF and ODA.

Data utilized towards disproving the hypothesis will include the amount of foreign aid to Africa compared in specific years, primarily OFA. However, direct comparisons with <LATER> are difficult as OOF data are not widely available.

**Data Utilized to Disprove Hypothesis**

Case studies of three African countries will be utilized to disprove the thesis that China’s foreign aid policy to Africa is detrimental to US interests. China’s recent involvement in Sudan is a departure from previously stated official policy of non-interference within other countries’ internal affairs. China has suspended loans to Zimbabwe on the basis of non-payment and the reactions of the international community. In the Congo, China modified a foreign aid deal in response to criticism from the IMF and the international community that the deal unvalued Congo’s natural resource wealth (Marks, 2009). Chinese involvement with IGO’s such as African Union, development of Forum on China-Africa Cooperation (FOCAC) (Marks, 2009)
highlights that they are willing to work within the framework of IGOs to advance their interests which proves their ability to compromise.

**Significance of Research**

Chinese engagement with Africa has the potential to be either detrimental to US interests or highly beneficial. Thus, it is important that US policy makers understand the nature of China-Africa engagement and develop a policy that promotes cooperation with China for Africa’s benefit, and the benefit of both US and China interests. Achieving a win-win-win for all parties will help define the US-China relationship well into the future. A lack of understanding on behalf of the US could lead to ineffective policy and a less than productive relationship with one of the world’s developing great powers, China. The China-US relationship will be a central part of future US foreign policy.

**Literature Review**

**Introduction**

There is a wide range of literature discussing China’s role in Africa, and implications for the US. Most begin by stating how quickly Chinese engagement in Africa has grown in recent years. Then, they either delve into the implications on whether Chinese engagement is advantageous for African countries or disadvantageous. Some literature discusses implications for US interests in Africa. Most literature can be organized into one of two groups: conventional wisdom and academic perspectives.

**Conventional Wisdom**

Numerous headlines and major media outlets typically describe China as an aggressive power seeking material resources in Africa in exchange for infrastructure projects and loans,
occasionally portrayed as great disadvantage to the receiving African country. This viewpoint is the conventional wisdom as it is based in what people immediately think of when briefed on this topic. Also, major media outlets quickly make connections between the receiving country’s policies on human rights and China engagement as wholly supportive of those policies, essentially accusing China of propping up African strongmen and dictators. Assistant Secretary Johnnie Carson discussed China with oil companies Lagos in February 2010 stating that while the US does not consider China a threat from a security standpoint, “China is a very aggressive and pernicious economic competitor with no morals.” He also stated that “China is in Africa for China…(10LAGOS75).” It reflects the conversation as the Assistant Secretary appears to be attempting to ingrain some forewarning into the unnamed international oil companies that China is a significant competitor.

Hanson presents Chinese engagement as primarily fueled by natural resources, ignoring the larger implications of their aid policy on US interests. In writing for the Heritage Foundation, Brookes and Shin present Chinese foreign policy as an attempt to counter US and Western political and economic influence in Africa. Instead of working together with China to best develop Africa, Brookes and Shin suggest expanding US presence in the region. An increased diplomatic presence, additional discussions on human rights, democracy and good governance, expanded trade and larger investments in strategic commodities such as oil, and an expanded security presence would all help deter China.

Thus, this perspective portrays Chinese engagement in Africa largely negatively and not supportive of US interests. Instead of seeing a potential for cooperation, this literature largely suggests that the US counter the Chinese dollar for dollar. It best reflects the realist theory of international relations.
**Academic Perspective**

In contrast, most of the academic community’s literature portrays China more positively. It draws on deeper and broader research than media articles. Therefore, the evidence and methods used to acquire that evidence are more persuasive.

**Bräutigam**

Deborah Bräutigam discusses Chinese development projects in Africa through her 2010 book, *The Dragon’s Gift*. She focuses primarily on how Chinese aid projects typically work, including motivations by China, Chinese expectations of recipients, and specifically how foreign aid projects are funded and implemented. Bräutigam discusses the differences between Official Development Assistance (ODA) and Other Official Flows (OOF), stating that most Western aid is ODA while most Chinese aid is OOF. Bräutigam has done more research individual Chinese development projects in Africa than anyone else, including the Chinese government themselves.\(^1\) While her research is broadly objective, extensive cooperation with Chinese officials has slightly altered how China is portrayed in her work.

**Center for Strategic and International Studies (CSIS) Africa Program**

At a 2007 conference hosted by CSIS and others, the subsequent conference report, *U.S. and Chinese Engagement in Africa: Prospects for Improving U.S.-China-Africa Cooperation* discusses Chinese engagement in Kenya, Nigeria and Angola. Out of that discussion, themes on areas for cooperation between the US and China emerged. CSIS proposes that the US and China work together to further their interests in Africa, drawing on CSIS research and a CSIS delegation to China to support their notion that both countries have mutual interests. As with

\(^1\) [http://www.youtube.com/watch?v=2-x88elSF2c&NR=1](http://www.youtube.com/watch?v=2-x88elSF2c&NR=1)

Bräutigam mentions that the Chinese government foreign aid officials appreciated her book, *Chinese Aid and African Development: Exporting Green Revolution*, (St. Martin’s Press, 1998), as an evaluation of their own aid projects in Africa as they had no evaluation means of their own.
Bräutigam, CSIS has a slightly altered viewpoint due to extensive cooperation with Chinese officials.

**Ambassador David Shinn**

Ambassador David Shinn primarily compares US and Chinese interests in Africa. In *Comparing Engagement with Africa by China and the United States*, Shinn discusses the interests of the US and China in Africa, concluding that they are similar despite popular opinion that they are not. In *China's relations with Zimbabwe, Sudan, and the Democratic Republic of the Congo*, he presents each country and their specific relationship with China. He concludes that the human rights challenges faced by each country drive them closer to China and away from Western influence. Shinn suggests that the similarities between US and Chinese interests in Africa create a base for broader cooperation. As a Foreign Service Officer, Amb. Shinn has served in numerous African posts including Ambassador to Ethiopia. Thus, his viewpoint is rooted in his experiences in east African states.

**Other Perspectives**

Butts and Bankus argue that not only would engaging China on African issues augment US interests but that it would help to continue to build the US-China relationship. That engagement would prevent the situation from devolving into a zero-sum game which would likely be costly for the US. Pehnelt presents Chinese engagement with Africa using a critical, academic approach. He summarizes that the Group of Eight (G8) countries should acknowledge China’s foreign aid policy. He suggests that the G8 work with China to integrate their efforts within the broader context of development for Africa. Turin discusses Chinese foreign aid policy with the context of the “Beijing Consensus.” He concludes that China’s role as an alternative to traditional foreign aid will allow them to become more prominent within the international development community, particularly in Africa. The Congressional Research Service (CRS) compares the influence of the
US and China in Africa. While no specific position is taken, the CRS summarizes US interests are similar to Chinese ones and thus are not directly harmed by Chinese actions.

Thus, there is a clear view amongst this literature that Chinese engagement with Africa is not detrimental to US interests. There are opportunities for cooperation between China and the US in Africa. This literature is reflective of the liberal theory of international relations as it views Chinese actions within the context of cooperation instead of a being direct threat to US interests.

**Conclusion**

Comparing both conventional wisdom and the academic perspective, the latter best supports the conclusions of the thesis. It draws upon broader information and best documents recent changes in Chinese policy.

**Body of Thesis**

**Official Chinese Foreign Aid Policy**

China officially outlined their foreign aid policy towards Africa in a 2006 policy paper, *China’s African Policy*. China bases much of its foreign policy on the Five Principles of Peaceful Coexistence: 1) mutual respect of sovereignty, 2) mutual non-aggression against other sovereigns, 3) mutual non-interfere in internal affairs, 4) mutual benefit and equality, and 5) peaceful co-existence (Jiabao, 2004). In *African Policy*, China expands further on those principles by stating that they respect their choices concerning development. They encourage sustainable development\(^2\) that produces benefits that are shared equally among everyone. Also, they encourage mutual support at the United Nations and in other inter-governmental organizations. On the political front, they state that they will continue the high level visits

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\(^2\) In this context, sustainable development refers to projects that will eventually be able to continue autonomously and without help from the donor government.
between African and Chinese leaders, expand exchanges between legislative bodies including the Pan-African Parliament of the African Union, encourage additional exchanges between political parties of Africa and the Chinese Communist Party (CPC), increase the links between local governments of China and Africa, and will develop the dialogue on foreign affairs cooperation between African governments and China. In terms of economics, China will remove trade impediments on African commodities entering the Chinese market and remove tariffs on exports from the least developed states. Beijing does not commit to Free Trade Agreements at the present but leaves the timeframe open-ended. China will continue to construct infrastructure projects through its private and state enterprises. Loan forgiveness is another major part of foreign aid policy. On the civil side, China’s foreign policy calls for expanding cultural, health, education and social linkages between the African and Chinese peoples. In terms of military relations, Beijing will continue to provide training for African militaries, joint exercises and exchanges, cooperation on rule of law and judicial projects, and for civilian policing practices. Finally, Beijing sees a prominent role for China-Africa Cooperation in terms of pursuing these goals and developments ("China's african policy," 2006). Overall, the policy paper takes a positive tone and represents what Beijing has communicated through official and public channels.

**Defining Chinese Aid Policy**

Chinese foreign aid to African countries is a combination of diplomacy, commerce and ODA and OOF aid. The Beijing Consensus provides a basis for Chinese foreign policy. It encourages innovation and equitable development (Turin, 2010) and principles of self-determination (CRS-9). It also measures progress with metrics other than GDP, in contrast to the Washington Consensus. By GDP alone, China ranks 102 out of 182 countries in the UNDP’s 2007 estimate. Accounting for other factors such as the Human Development Index, literacy and
life expectancy, China jumps to 52 (Turin, 2010). Focusing on these additional factors helps China develop an assistance package for a particular country.

Officially, China gives very little traditional aid in the form of grants, preferring instead to give out loans. Therefore, much of Chinese aid is considered OOF instead of ODA. Chinese aid is often characterized as “win-win” (CRS-1), meaning that both the state giving the aid and the state receiving the aid acknowledge that the relationship is equitable, per the Beijing Consensus. “Win-win” is essentially copied from the Japanese model of foreign aid. First, China extends large amounts of credit at a competitive or even sub-market rate. They then require that much of the money be spent on Chinese goods such as construction equipment and services, machinery, and mass transportation. Repayment is often tied to natural resources such as oil or rare metals instead of coming directly from the recipient country’s treasury. The “win-win” approach is becoming increasingly popular in Africa and countries such as the Democratic Republic of Congo (D.R. Congo), Mozambique and Angola have taken advantage assistance offers structured this way (Bräutigam, page 307).

**How Much Foreign Aid**

The amount of foreign aid China gives to Africa is difficult to determine. Several agencies play an active role in determining and implementing aid policies. Private companies, provincial governments and state owned corporations are involved as well. Individual embassies and the Chinese diplomatic corps are included in the process in varying roles. Additionally, none of these organizations are transparent about their aid policies. In 2004, $731.2 million was China’s officially released aid statistic but they do not define what they consider aid. However, the official number conforms to ODA norms. Under OOF, the ExIm Bank lent 12.5 billion (USD) in 2006 and 17.5 billion (USD) in 2007 (Pehnelt, 2007). In a 2008 speech on the
Millennium Development Goals, Chinese Premier Wen Jiabao disclosed that 31 billion (USD) in aid had been given to developing countries, which included 13.6 billion (USD) in “free aid (Jiabao, 2008).” Speeches by Chinese officials provide some light onto the amount of aid but fail to define when or what exactly is aid. Premier Jiabao used to term “free aid” but to include specifics of the nature of the aid According to official standards (ODA), China gives roughly 1.5-2 billion (USD) per year compared to the 19.5 billion in ODA that the US gave in 2007. However, neither country includes the entire amount of OOF as the US excludes military assistance while the Chinese figure excludes loans that constitute their primary source of development aid (CRS-4). Thus, it is difficult to quantify the amount of foreign aid that both China and the US give.

History of China in Africa

The Chinese have maintained ties with Africa longer than is commonly thought. Admiral Zheng He visited what is now Somalia in the 15th century, bringing giraffes back to China for the emperor. In 1956, China gave Egypt aid, the first African recipient of Chinese foreign aid in the modern era. Swaziland is the only country that has never received Chinese assistance. In the 1970’s, China sponsored its biggest project ever, building the Tanzania-Zambia railway to connect Zambia’s copper mines to Tanzanian ports. Throughout the 1980’s and 1990’s, China awarded smaller infrastructure repair grants to many African governments. The only political condition of those grants and aid was that the recipient government recognized the People’s Republic of China as the only China and cut ties with the Republic of China (Taiwan) (Bräutigam, 2010).

The events of 1989 in Tiananmen Square prompted a broad change in Chinese foreign policy. Beijing was surprised by the international community’s outcry on its human rights policy,
which included many countries that they thought were friendly to their interests. The policy that seems to have emerged from that era was a reengagement with countries whose support would count in international government organizations such as the UN in additional to regional alliances.

In the subsequent years of the 1990’s, China began to reach out once more to African countries. From 1989 to 1992, the Chinese Foreign Minister visited fourteen countries in Africa, resuming the high level visits that had subsided after Premier Zhao Ziyang’s 1982 trip to eleven countries. Many of those countries subsequently sent delegations to Beijing, signifying the positive impact of the high level of Chinese engagement. Through aid projects such as $12 million (USD) in assistance to Mozambique in the early 1990’s, China worked to retain and expand allies that would support Chinese human rights policy or support China’s position on sovereignty, namely their disinterest in a country’s internal affairs. China’s actions systematically built support in the UN as Western countries constitute an absolute minority. Additionally, it was in the early to mid 90’s that China began to dramatically (?) increase trade with Africa. From 1990, trade increased from $1.66 billion to more than $5.03 billion in 1997. Stability was the only political condition China required for aid, investment, and trade, thus allowing a place for countries with less than democratic governments to be included within Chinese foreign policy (Taylor, 1998).

**Political Goals and Measurements of Success**

Traditionally, China has had few expectations on political goals for foreign aid. In the past, they cared little for the longer term impact of their foreign aid policy.³ Today, they are far more sensitive to their image amongst the international community.

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³ [http://www.youtube.com/watch?v=2-x88elSF2c&NR=1](http://www.youtube.com/watch?v=2-x88elSF2c&NR=1)
Recognition of one China has been a major part of this, originating as a way to reclaim the UN Security Council seat and continuing afterwards as a way to delegitimize the Republic of China (Taiwan). Taiwan competed successfully with China on matching foreign aid dollar for dollar until the late 1990’s. In recent years, China has been able to offer more generous foreign aid packages than Taiwan. In 2005, Senegal cut diplomatic relations with Taiwan. Malawi did the same in 2008 after accepting a 6 billion USD aid package from China. Four African countries recognize only Taiwan while thirteen did so in 1994 (Halper, 2010). This is an indication of China foreign policy success.

At the United Nations, China has built up a powerful coalition of countries willing to support their agenda. This coalition has prevailed in stopping the UN Commission on Human Rights from denouncing China’s human rights policy. Taiwan has been unable to join the World Health Organization in part because of the opposition of many African states (Brookes, 2006). A recent European Council on Foreign Relations report stated that support within the General Assembly for Chinese positions on sovereignty and against external interference rose from 50% to 74% between 1998 and 2008 (Gowan and Brantner, 2010). This is in part due to China’s foreign policy of seeking out countries that support their positions at international organizations. This leap in support indicates the success of China’s foreign policy in Africa.

What can be concluded is that Chinese foreign policy is driven by China’s ideas on an ideal self image. Of course, this is not clearly stated but is more discernable through their actions such as building support for their human rights agenda and obtaining diplomatic recognition of China as a legitimate state.

Who is in Charge?

In this presentation, Bräutigam states that her 1998 book, *Chinese Aid and African Development: Exporting Green Revolution*, (St. Martin's Press, 1998) was utilized by some Chinese government officials to research their own previous foreign aid policy efforts as they lacked effective means to do so on their own.
The Chinese Ministry of Commerce (MC), in cooperation with the Ministry of Foreign Affairs (MFA), is in charge of foreign aid. More specifically, the Department of Foreign Aid (MOFCOM) within the MC is in charge of grants, a youth volunteer program, zero-interest loans, and technical assistance. Also under control of the MC is China’s Export-Import Bank (ExIm Bank) which manages the concessional foreign aid loan program (Bräutigam, 2010). ExIm Bank is more or less a policy bank, combining diplomacy, business, and development goals. As a policy bank, ExIm Bank is not expected to profit but merely break even so as not to require sustained outside funding. MOFCOM administered programs support wide-ranging diplomatic goals such as not recognizing Taiwan. Other organizations involved in the decision-making process include the Ministry of Finance, the Ministry of National Defense, the Ministry of Science and Technology, individual embassies, and the State Council. Several provincial level governments have also been involved to some capacity through their state-owned corporations. While the Ministries define and allocate funds to specific policies, the Chinese diplomatic corps working out of the embassies function in a project managerial role (Pehnelt, 2007).

**Funding Mechanisms**

Most of China’s foreign aid is OOF. China provides a loan to a developing country to build a large income generating project such as a hydroelectric dam or rebuild a road or railroad. The loan is paid off through the flow of raw materials such as minerals, oil or timber, and often times on revenues from the new infrastructure (Bräutigam). Therefore, long term debt is not a concern as resources are leveraged instead of hard currency. Additionally, state-owned companies often provide financing instead of the central government.

In October of 2000, China hosted a summit of 45 African country leaders in Beijing. They agreed to create mutually advantageous economic development, further cooperation on
trade, and enhanced political relations. It became known as the Forum on China-Africa Cooperation (FOCAC) and the founding countries have met three additional times, once every three years. It provides a forum for bilateral and continental levels cooperation. A plethora of initiatives have been announced through this forum. At the 2006 FOCAC summit in Beijing, President Hu Jintao announced the China-Africa Development Fund with an eventual capitalization of 5 billion dollars (USD), doubling of 2006 assistance by 2009, and construction of an African Union headquarters, (‘Soft Power’, page 108-110). The Fund was created to better facilitate public sector investment as well to prime the pump for private sector investment. Overseen by the China Development Bank, it may invest in convertible bonds, stocks, investment funds, and other quasi-equity type of investments. Funds such as this serve as catalysts for private sector investment. According to the Chinese Ministry of Commerce, the roughly US $540 million invested in 27 African project will drive some US $3.6 billion in private sector investment by Chinese corporations ("China-Africa Development Fund," 2010). Through innovative and large investment mechanisms, China is poised to expand their foreign aid development exponentially. Thus, China has shown a willingness to work with partners to better Africa, providing an opening for a broader US-China engagement in the region.

**Engagement: Selected Case Studies**

**Zimbabwe**

Even before Robert Gabriel Mugabe was in power, Beijing supported his Zimbabwe African National Union in the 1970s. After Mugabe failed by and large to obtain support from the West in the 1980s, he rekindled the relationship by defending Beijing’s role in the Tiananmen Square massacre (Shinn, 2008). Earlier this year, Mugabe choose to celebrate his 86th birthday at the Chinese embassy in Harare, signifying how entangled Mugabe has become with
the giant in the East. "We treasure this friendship. It's not really the relations that count, but the love, alliance and understanding (Moyo, 2010).” That was how Mugabe characterized the relationship.

Within Zimbabwe, China has quietly taken control of major industries and sources of wealth. Large Chinese multi-nationals such as Sinosteel own 92% of Zimasco, the largest ferrochrome company, while Sino-Cement possesses a large stake in Zimbabwe’s cement industry. In terms of natural resources, China Sonangol has several large mining holdings and other stakes are being granted to Chinese firms such as Jinchuan Nickel Mining Company instead of Zimbabwean or African mining companies (Moyo, 2010). China receives the lion’s share of Zimbabwe’s tobacco exports while Zimbabwe purchases large equipment such as K-8 trainer jets for their air force. Peter Chamada, son of a senior ZANU-PF scion who is close to Mugabe summed up the shift from the West to the East. “We don’t want anything to do with you people. We have shifted, from you guys [white Africans] to the Asians…we have nothing to do with you. We want to deal with friendlier people, the Chinamen many of them, Indians, not you” (“Mugabe and”, 38:50). Mr. Chamada highlights the newer thinking of midlevel Zimbabwean government officials in terms of whose relationships have increased priority and importance.

However, Zimbabwe’s economy has recently imploded as the Reserve Bank of Zimbabwe grossly expanded the money supply, eventually resorting to printing a 100 billion dollar banknote, in order to keep Mugabe’s government solvent. Zimbabwean currency has become so worthless that foreign banknotes have been since become the quasi-official currency of Zimbabwe. As early as 2007 and before the inflation crisis and global economic recession, Zimbabwe was unable to make payments on Chinese loans (Shinn, 2008). Therefore, Beijing has significant leverage over Harare as a creditor and as a political partner as they support Mugabe in
international forums such as the UN. China has been able to take over additional assets owned or controlled by Harare but even with that, Beijing seems to have lost patience. Zimbabwean Deputy PM Arthur Mutambara upon returning from a trip to Beijing, stated that China has stopped providing loans until Zimbabwe restarts payments on existing loans. Despite this setback, China has allowed Zimbabwe to reschedule payments on existing loans by an additional three years (Moyo, 2010). The case of Zimbabwe highlights the risks of having relationships with political renegades and that even Beijing has limits on how much support they can provide to their African allies.

China’s relationship with Zimbabwe is a very profitable one despite lack of payments on loans. The natural resources, primary those related to mining, are valuable trade goods. As a condition for non-payment on loans, China has taken stakes in state owned corporations in both mining and telecommunications. As long as Zimbabwe cannot make loan payments, China has slowly taken up equity stakes major Zimbabwean industrial enterprises. While there are laws limiting stakes foreigners can take, China appears to be immune from those laws (Moyo, 2010). Control of key parts of the Zimbabwean economy could prove helpful should the US and China consolidate their interests on Zimbabwe.

**Sudan**

While China has had relations with Sudan since 1959, it has only been in recent years that they have grown closer. Shortly after grabbing power in 1989, Sudanese leader Omar al-Bashir went to China to obtain assistance for jumpstarting the Sudanese oil industry. With Malaysian and Canadian partners, China has developed the Sudanese oil industry (Shinn, 2008), exporting 214,000 barrels per day for Chinese consumption by 2009, some 55% of Sudan’s total

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4 The Canadian company withdrew in reaction to human rights concerns and was replaced by an Indian state oil company.
output (Dep. of Energy, 2009). While a majority of the 6 billion (USD) China has invested in Sudan has gone to the oil industry, China constructed Merowe Dam and the Kajbar Dam for 1.5 billion (USD) on the Nile. Additional infrastructure projects have also been built (Shinn, 2008).

Politically, Khartoum and Beijing have grown closer in recent years. First, the Tiananmen Square massacre in 1989 produced a backlash from the international community that China had not expected. Therefore, China embarked on a diplomatic expansion, reaching out to Sudan and many other developing states as a way to build positive international support, particularly towards their human rights record (Taylor, 1998). China’s policy of non-interference with the internal affairs of other governments has largely pleased Sudan and China remains their most successful energy partner in Africa (Hanson, 2008). China has also sold Sudan military weapons and has helped Khartoum develop a domestic arms manufacturing capability. Beijing used its influence on the UN Security Council to prevent UN peacekeepers from being deployed to Darfur as well as threatening to veto all but the lightest of economic sanctions. China’s deputy foreign minister, Zhou Wenzhong, summed up his government’s position best in a 2004 interview. “We try to separate politics from business. Secondly, I think the internal situation in the Sudan is an internal affair, and we are not in a position to impose upon them (French, 2004).” That mentality is evidence of China’s lack of desire to influence the internal affairs of other countries, even allies. This support for countries with poor human rights records fuels the conventional wisdom viewpoint which is most commonly articulated to Americans through major media outlets.

As with Zimbabwe, Beijing began losing patience with Sudan in 2007 as President Hu Jintao held “frank” talks with Sudanese President Omar al-Bashir in Khartoum (Bräutigam, page 282). Shortly afterwards, Liu Guijin, China’s top African diplomat became a special envoy to
Sudan who later described Darfur as “a humanitarian disaster.” China has since become more cooperative towards resolving the situation (Shinn, 2008). This represents a change in China’s attitude towards Sudan, as they are roughly following international norms by talking with the concerned party on working towards resolving the situation. While China and Sudan are still close politically, China harbors higher expectations from their ally in terms of resolving the Darfur situation. This supports the academic perspective that China has become more sensitive to the issue of human rights and its impact on their international image. Thus, it opens the door to US-China cooperation on Sudan issues.

**Democratic Republic of Congo**

While China has had diplomatic relations with D.R. Congo since the 1960’s, only recently has the relationship been leveraged for mutual benefit. In late 2007, China announced a 9 billion (USD) worth of infrastructure projects to be paid for with raw material exports, mainly copper and cobalt. Those infrastructure projects include renovating a major railway, building power plants and transmission lines, constructing four large universities and repairing roads. An additional 3 billion USD will be invested as part of a joint venture, Sino-Congolese mining company. Profits from that investment will repay the 3 billion and then the 9 billion. While the style of the deal fits within the norms of Chinese foreign aid, the size of the deal attracted the attention and comments of Western media outlets as well as the IMF (Shinn, 2008). Those comments largely reflect conventional wisdom.

**Answer to the thesis: Chinese engagement with Africa is detrimental to US interests**

Based on the evidence provided, there is no reason to fear increasing levels Chinese engagement in Africa. In fact, China’s increased presence in Africa should be embraced and utilized for a broader cooperation with the United States.
US Government Openness to Expanded Chinese Engagement

As Secretary of State, Hillary Clinton is the principal articulator of foreign policy. While there are numerous senior advisors in charge of different issues, in theory, the Secretary has the last word unless otherwise directed by the President. On a recent trip to Australia, Secretary Clinton discussed China at an appearance with Australian foreign minister, Kevin Rudd. “We want to see China’s rise be successful, bring benefits to the Chinese people, but to take on greater responsibility and a rules-based approach to all of its neighbors (Gaoette, 2010).” In the statement, Clinton acknowledged China’s rise as something that benefits the US. In her comments, Clinton encouraged China to step up in terms of conforming to international norms by suggesting that such behavior is the responsibility for a great power such as China. In suggesting that the Chinese take on greater responsibility, the US sees a clear role for China as a great power. What Clinton understands is that the Chinese care very much about their image and what other countries say about them and that image. By calling for them to take greater responsibility, the Secretary makes clear that not only are the Chinese a major international player but one that can take on more responsibility to help solve intractable African problems.

In writing for the U.S. Army War College, Butts and Bankus conclude that cooperation with China on foreign aid policy would augment existing efforts. They propose that China’s foreign aid policy should be broadened to better incorporate human security issues and other development issues. They suggest that approaching China in this manner would create a confidence building measure under a new President, and avoid China’s Africa engagement evolving into a zero sum game (Butts & Bankus, 2009).

Former US Ambassador David Shinn states that US-China interests are more similar than they appear. Both countries want to expand their foreign trade, provide education and cultural
cooperation, encourage sustainable, free market economic growth and provide assistance on health issues. China and the US both try to obtain political support from as many African states as possible. Also, both countries have significant natural resource interests, although the US interest is primarily oil (Shinn, 2009). Ambassador Shinn argues that the American and Chinese interests in Africa parallel each other but that current trends in US-African engagement may lead to China gaining a short term continental advantage. His argument proves that similar interests could allow for a broader cooperation on US-Chinese interests in Africa.

**Why the Chinese Would Cooperate with the US**

First, there is some cooperation already occurring. Liberia is a fragile African state. The US and the Chinese have been active to help rebuild the state infrastructure and institutions. The US has primarily focused on rebuilding Liberia’s armed forces, through training and recruitment, and has developed the management capability of Ministry of Defense’s civilian employees. The Chinese have been rebuilding much of the support infrastructure for those armed forces, including offices for government officials. They deployed some 570 military engineers to help rebuild basic infrastructure (“U.S. and Chinese…,” 2008). Thus, the US and China have been able to cooperate for Liberia’s benefit.

Numerous commentators have suggested Chinese engagement with Africa should be embraced and assisted. Davis and Woetzel argue that Chinese engagement with national and regional organizations instead of only heads of state, their hosting of roundtables, FOCAC meetings, and establishing of development banks such as the China–Africa Development Fund all are examples of where greater US cooperation could provide a broader impact. 5

China has shown a greater willingness for greater cooperation on foreign aid and investment. In December 2009, China hosted an international roundtable to discuss health care and [additional reference](http://www.mckinseyquarterly.com/Making_the_most_of_Chinese_aid_to_Africa_2609)
collaboration, inviting NGOs, academics, African health officials and other international partners in hopes of fostering joint missions, pilot projects and other cooperation in order to best deliver health care to African countries (Davis & Woetzel, 2010).

Essentially, this sort of cooperation best legitimizes China as a true great power, the goal of Beijing’s ambitions. It shows that China has arrived as a country that can not only do foreign aid and engagement themselves but partner with other countries to provide a catalyst for increased development. In Australia, Secretary Clinton encouraged China to take on a role in the international community that is fitting for their size and new found wealth.

**Policy Suggestions**

**Zimbabwe**

The US and China should cooperate on issues relating to Zimbabwe’s political leadership. The US has long advocated for a peaceful, democratic transition in Zimbabwe, mostly recently by UN Ambassador Susan Rice (AFP, 2009). Former ambassador to Zimbabwe Christopher W. Dell described Mugabe as a “brilliant tactician” but was hindered by “his deep ignorance on economic issues (coupled with the belief that his 18 doctorates give him the authority to suspend the laws of economics) (Shane, & Lehren, 2010).” In the past and as recently as 2008, China has opposed UN sanctions on Zimbabwe in response to President Robert Mugabe’s human rights violations (Worsnip, 2008). China has long supported Mugabe and his government.

Zimbabwe’s economic woes have resulted in China refusing to provide additional loans until payments on existing loans resume. Thus, China has grown increasingly dissatisfied by Mugabe and his government. What may prompt the Chinese towards cooperation with the US on Zimbabwe’s democratic transition would be the they own there. The Chinese own a number of
valuable assets that were put up as collateral for loans and non-payment has allowed an increase in ownership stakes (Moyo, 2010).

Convincing China that the US will respect those stakes and encourage other countries to do the same could win China’s cooperation on a democratic transition. Support would begin with cooperation on UN sanctions as any sanction would be favorable to China’s interests so long as they do not directly support Mugabe. Building that support and the subsequent effects of the sanctions could lead to a relatively peaceful democratic transition. At present, Mugabe is relatively weak by comparison to previous years and is especially dependent upon support from China. Removing that support would greatly delegitimize him as a leader as his primary UN support would be gone. The economic leverage that China has over Zimbabwe could also be utilized for a transition to free and fair democracy. In particular, recent months have seen him making particularly blatant appreciative gestures to the Chinese, possibility as an apology for non-payment and a reaffirmation of the Mugabe-China relationship. Removing China from Mugabe’s list of allies should be part of the larger strategy to keep Mugabe making mistakes and overall throw him off his game, as former US Ambassador to Zimbabwe Christopher Dell advocated in a diplomatic cable (07HARARE638).

**Sudan Referendum**

The US and China could work together on the issue of the Sudanese referendum. With US cooperation, China should utilize their leverage over President Bashir to allow for a peaceful, free and fair referendum in January on the issue of south Sudanese independence.

In the past, the Chinese have resisted all attempts to sanction Sudan’s top export, oil. They receive approximately 60% of Sudan’s oil exports. The US should guarantee the Chinese access to a similar amount of oil elsewhere, possibly in Saudi Arabia or in the Gulf states. Global
oil market trends are shifting Middle Eastern oil exports towards Asia so the US guarantee would be part of a natural market shift anyway. There is still a significant amount of excess capacity left in both crude and refining markets in those regions due to the recent economic events (Likvern, 2010). Those countries would appreciate the opportunity to sell additional crude and refining capacity while keeping prices relatively stable. Such a guarantee would also allow for UN sanctions on Sudanese oil exports. Additionally, the US would agree to help China secure oil rights in a southern Sudanese state should the referendum results dictate. A further diplomatic carrot could be US support for Chinese foreign aid programs within any newly created Sudanese state. The Chinese have particular leverage over Sudan as they have invested in non-oil sectors. The US and China should present the possibility of UN sanctions in a united diplomatic front to Sudan before the referendum. It would serve as a way to pressure President Bashir to respecting any election result as legitimate.

This is more probable in recent years as the Chinese have grown more aware of the damage Sudanese issues have been causing to their international image. President Hu Jintao and Chinese African envoy Liu Guijin have held terse discussions with President Bashir on Sudanese issues. Liu Guijin has described Darfur as a humanitarian disaster. Thus, there is some movement for the US to work together with China to pressure Sudan. Also, the Chinese are highly diplomatically ambitious and long to play an important role in international affairs. In Sudan, they have the most leverage and much of the credit for any positive development would rightfully go to them. It is another avenue for the US to tap into as they attempt to engage China on Sudan.

The best possible conclusion for the southern Sudanese referendum would be independence for a southern Sudanese state with US and Chinese backing. At worst, China may
lose Sudan as an oil supply on a temporary basis if Khartoum blocks southern Sudanese oil exports from reaching the coast. However, an alternative routing to the port of Mombasa through Kenya could be arranged either as a pipeline or via a railway as China has experience building both cost effectively.

**State Building in the Democratic Republic of Congo**

One of the most pervasive and comprehensive problems in sub-Saharan Africa is the fragile state of D.R. Congo. They have made a largely unsuccessful transition from a dictatorial state into what constitutes a democratic state primarily at face value. *Foreign Policy*’s Failed States Index of 2010 ranked the fifth most failed state, even below Afghanistan and Iraq. In addition, there are several regional disputes, mostly related to the aftermath of the Congo Wars of the 1990’s that could be resolved to an extent with a stronger state. While the situation has improved to a moderate extent, a serious effort at strengthening the government will go far in terms of helping the Congolese as well as resolving some of the most serious human rights situations in eastern Congo. US-China Cooperation on Congolese state building is particularly relevant as China recently signed one of the largest foreign aid and investment deals ever with the Congolese government, building some 9 billion dollars worth of infrastructure in exchange for extensive mining and mineral rights.

One example of potential US China cooperation is to coordinate agricultural aid in Congo. Currently underway is a project in Kisangani, eastern Congo run by US AFRICOM and the Borlaug Institute, whose goal is to help the Congolese army feed itself. Currently, the army often has to resort to pillaging whatever they can find from the villages in which they are deployed to (Shattenberg, 2010). This project can have a broader impact as it not only helps an army feed itself but serves to strengthen the state as the army can be more effective and have less

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impact upon the civilian population who have borne the brunt of the Congo conflicts. The Chinese have a long history of agricultural aid and more recent investment in Africa, sending agricultural experts over since the 1950s although their impact have been limited due to lack of coordination (Davis & Woetzal, 2010). Thus, the Chinese would also benefit from US cooperation and could greatly augment agricultural aid programs with increased funding.

Validation of Policy Suggestions

In a February 2010 cable entitled *Chinese Engagement in Kenya*, Ambassador Michael E. Ranneberger suggests that Chinese interest in developing a new mega-port in Lamu, Kenya comes from a desire to build regional infrastructure including a pipeline to southern Sudan. If built, it would reduce China’s reliance on Port Sudan in north Sudan (10NAIROBI181). This validates the policy suggestion of China wanting to reduce their reliance upon Khartoum and opens up the possibility US-China cooperation.

In Angola, the US Ambassador discussed with the Chinese Ambassador cooperation on agricultural development in addition to existing cooperation on a Department of Defense humanitarian assistance program and joint efforts on malaria programming (10LUANDA84). The cable’s title *Chinese Engagement in Angola and Potential Areas for Cooperation* highlights the thinking of key US government officials as viewing the US-China relationship as mutually beneficial instead of detrimentally competitive.

Conclusion

Despite the conventional wisdom that Chinese foreign aid policy and overall engagement may seem detrimental for US interests at face value, there is a clear argument for the contrary. US and Chinese interests are not mutually exclusive and share similar objectives. Instead of competing for resources and influence, the US and China can cooperate on jointly developing
Africa as well as furthering their own interests. Thus, the thesis that Chinese engagement and foreign aid policy in Africa is detrimental to US interests has proven to be false.

The benefits for collaboration between the US and China are enormous and most evident through the case studies provided. US-China cooperation could boost state building in D.R. Congo which is a step towards resolving a host of issues in central Africa. On the issue of the Sudanese referendum, the US and China could support a possibly independent southern Sudan which would support both countries’ interests. In Zimbabwe, the withdrawal of Chinese support for Robert Mugabe would be significant in forcing him from power which serves US and Chinese agendas as the Chinese could finally have an ally that would resume payments in a timelier manner. It would also draw less attention to China’s own human rights record.

There will be no more important relationship in the 21st century than the one between the United States and China. The US and China could embark on an entire new level to cooperation on foreign aid and investment policies in Africa. Both sides are rapidly investing billions in raw materials as well as pumping up their respective foreign aid programs. Those interests intersect and are ripe for collaboration. Numerous synergies would emerge if both countries were to collaborate on solving development issues. Cooperation on an issue that is outside both countries’ immediate spheres of influence will go far in cultivating the relationship. Ultimately, the US can channel some of China’s African foreign aid and engagement into a larger role that supports both countries’ interests while driving a new level of development in Africa.
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