

THEORETICAL AND APPLIED ASPECTS OF ECONOMIC PROCESSES IN UKRAINE AND IN THE WORLD ECONOMY

UDC 339.942

DOI <https://doi.org/10.26661/2414-0287-2019-3-43-12>

CHINA'S RELATIONS WITH AFRICA: NEOCOLONIALISM OR PARTNERSHIP?

Venherska N.S., Makliuk O.M., Borysenko A.Yu., Prosvirkina A.O.

*Zaporizhzhia National University
Ukraine, 69600, Zaporizhzhia, Zhukovsky str., 66*

nataljavengerskaja@ukr.net

ORCID ID 0000-0001-8171-8206, 0000-0002-8740-2402, 0000-0001-9633-9356, 0000-0001-8934-5782

Key words:

economic cooperation, neo-colonialism, China, African countries, foreign policy, trade, investment.

Foreign economic cooperation with African countries plays an important role in the strategic development of the People's Republic of China. The study identified the priorities and objectives of China's multilateral cooperation policy in Africa. The fact that African countries need allies to support their status in the world determines the interest of the African leadership in maintaining friendly contacts with the PRC. The changes that took place in the foreign policy of China in the 21st century and the principles of development of relations with the countries of the African continent are highlighted. China puts economic interests first. The basic directions of economic cooperation are analysed, in particular trade relations, mineral resource extraction, long-term infrastructure projects. The second feature is the institutionalization of relations between China and the countries of Africa and their formal design. The third feature of China-Africa relations is the Chinese leadership's desire to create a positive image of China in the world, and in the African continent in particular. However, it is noted that a serious problem for the African continent is labour migration of the Chinese, large-scale deforestation, filling the African market with Chinese goods. Analysing the nature and dynamics of political and economic cooperation between the PRC and the African countries, it is substantiated that Sino-African cooperation has a positive impact on their development and is mutually beneficial cooperation, not neo-colonialism.

ВЗАЄМОВІДНОСИНИ КИТАЮ ТА КРАЇН АФРИКИ: НЕОКОЛОНІАЛІЗМ ЧИ СПІВРОБІТНИЦТВО?

Венгерська Н.С., Маклюк О.М., Борисенко А.Ю., Провіркина А.О.

*Запорізький національний університет
Україна, 69600, м. Запоріжжя, вул. Жуковського, 66*

Ключові слова:

економічне співробітництво, неокolonіалізм, Китай, країни Африки, зовнішня політика, торгівля, інвестиції.

Важливе місце в стратегічному розвитку КНР займає зовнішньоекономічне співробітництво з країнами Африки. У межах дослідження розкрито пріоритети і цілі політики КНР в Африці. З огляду на той факт, що африканські країни потребують партнерів для підкріплення свого статусу у світі, це й визначає зацікавленість керівництва країн Африки в підтримці тісних контактів з КНР. Виокремлено зміни, що відбулися в зовнішньополітичному курсі КНР у XXI столітті та принципи розвитку відносин з країнами Африканського континенту. Китай висуває економічні інтереси на пріоритетне місце. Проаналізовано основні напрями економічного співробітництва, зокрема торговельні відносини, видобуток мінеральних ресурсів, довгострокові інфраструктурні проекти. Другою особливістю є інституціалізація взаємин між Китаєм і країнами Африки. Третьою особливістю взаємин Китаю і Африки є прагнення китайського керівництва створити позитивний образ КНР. Проте зазначено, що серйозною проблемою для країн Африки в контексті економічної експансії Китаю є трудова міграція китайців, масштабна вирубка лісів, наповнення африканського ринку китайськими товарами. Проаналізувавши характер політичного і економічного співробітництва КНР і африканських країн, обґрунтовано, що китайсько-африканське співробітництво позитивно впливає на їхній розвиток та є взаємовигідним співробітництвом, а не неокolonіалізмом.

Statement of the problem

African countries occupy an important place in the foreign policy of the People's Republic of China. In March 2004, the leadership of the People's Republic of China announced that the centrepiece of its foreign policy was the creation of a "harmonious world." For this reason, China is actively engaged in developing contacts with other countries in the political, economic, technical and cultural spheres.

In the last decade, experts have linked the unprecedented increase in the GDP of many African countries, with the participation of China, which since 2009 is a major trading partner and one of Africa's leading investors. However, China's relations with African countries are not exclusively positive. Massive migration of Chinese citizens occupying existing jobs, large-scale deforestation, and overflowing of the Chinese market with Chinese goods are major problems for the African continent, leading to a decline in the supply of products to African producers.

Analysis of recent studies and publications

The development of Sino-African relations has attracted the attention of many domestic and foreign researchers, in particular A. Kovalchuk [1], G. Mohan [2], M. Movchan [3], V. Niquet-Cabestan [4], A. Thompson i S. Olusegun [5], K. Soloninko [6], A. Stahl [7], R. Schiere, L. Ndikumana ra P. Walkenhorst [8], L. Haifang [9] and other. However, insufficient attention has been paid to identifying the changes that have taken place in China's foreign policy course in the 21st century and have influenced the formation of China's model of cooperation with Africa. Therefore, the relevance of the study is explained by the need to give a scientific assessment of such a global phenomenon as the growth of Sino-African cooperation and to analyse in more detail the specific features of Sino-African relations, answering the question: "Is this union a mutually beneficial cooperation or neo-colonialism?"

Objectives of the article

The purpose of the article is the revelation of the features of Sino-African relations and to identify their nature in the context of neo-colonialization and cooperation.

The main material of the research

The place of the country in the world is a very important characteristic, which reflects the complex expression of the international rating of the country, which is characterized by many components. An important indicator of a country's place in the world is the external function of the state.

At the beginning of the 21st century, China's foreign policy and foreign economic course have been changed. These changes were driven by China's desire to

strengthen its status in the world and increase its economic strength. At the Sixteenth Congress, the CCP government declared the need to move closer to world centres, while maintaining the status of an independent and state. At the congress, a special program of social growth was developed, according to which by 2020 China will become one of the most powerful states in the world. On foreign exchange issues, it was decided to stimulate China's entry into foreign markets and to engage China's economy in international cooperation.

In 2004, the leadership of the People's Republic of China increasingly said that the centrepiece of its foreign policy was the creation of a "harmonious world." This was stated by Chinese President Hu Jintao at a summit dedicated to the 50th anniversary of the Bundung Conference in April 2005. This idea largely determines the foreign policy strategy of China's relations with other countries. Along with the aim of creating a "harmonious world," the PRC leadership is making considerable efforts to promote its image in the world. For this reason, China is actively engaged in developing contacts with other countries in the political, economic, technical and cultural spheres. The Government of the PRC stands ready to play an active role in addressing international issues in the context of economic globalization [7; 10].

In the remaining ten years of experience, the unprecedentedly growing GDP of African countries (in the middle – 5.5%) was driven by the unprecedented growth of GDP for China's share in the development. Since 2009 China is the leading trading partner and one of Africa's leading donors and investors. To this effect, the Chinese "improvement" is designated as the "improvement" of Africa [11].

Since 2016, the fate of the life of Nafti China has accumulated 12.4 million barrels per day, and Africa won the whole role. Moreover, the Ministry of Commerce and Trade of the PRC, Chinese import of African and mineral products and oil products, as well as non-existent products, have not been affected by the fact that there are any other products. Chinese petrol companies have a lot of places in such African countries as Ghana, Egypt, Niger, Gabon, Efiopiya, Namibia, Republic of Congo, and recently in the new year there have been Chad and Kenya. But Africa's trading partners of China are PAR, Angola and Nigeria. Acting African countries switched to RMB in trading in China: as a result, more than 40% of Chinese-African trading became more and more denominated in Chinese currency [11].

Certainly such an active China's involvement in the African continent is driven, first and foremost, by China's desire to occupy and preserve a certain niche in the region. Africa's natural energy resources are a great alternative to the Middle East petrol that the modern Chinese economy depends on. It is for this reason that the Chinese leadership seeks support from as many

African petrol producing countries as possible. The most promising in terms of energy contracts for countries in China are the Gulf of Guinea countries, including Nigeria, Angola, Congo and especially Sudan.

An important part of the Chinese strategy is the initiative of the new Silk Road and the Sea Silk Road “One Belt – One Way.” The importance of this initiative for Beijing is indicated by the fact of decision of inclusion it in the Party Statute during the 19th CCP Congress in October 2017. Implementation of the project involves the implementation of long-term infrastructure projects that should cover the entire area of the “belt.” It includes the construction of railways and highways, modernization of aviation, highways, energy projects, industrial parks. China gives an important role to Africa in the implementation of the project. In particular, in 2014, a Memorandum of Understanding was signed with the Aviation Corporations of six African countries: Angola, Ethiopia, Zimbabwe, Cape Verde, Guinea, Congo, and with the Economic Community of West Africa (ECOWAS) [1; 8].

Chinese experts see two major benefits for Africa in the new strategy. First, the development of infrastructure will allow China to use its capabilities in the construction sphere, which will benefit the countries of the continent and at the same time stimulates the growth of China, the slowdown in recent years. Secondly, the implementation of the project is an opportunity to transfer intensive industrial enterprises to Africa, which will lead to the increase of production, jobs and wages [1].

Despite the difficulties in the Chinese economy, Africa continues to occupy an important place in Beijing's foreign economic priorities. The Sino-African Development Fund, established to support Chinese companies operating in Africa, has invested in 87 projects in 36 countries for more than \$ 3.5 billion. The main source of financial resources for Africa is the Export-Import Bank of China (Eximbank): in 2000-2015, it provided loans to almost all African countries for a total of \$63 billion. China Development Bank (CDB), which funds small and medium-sized Chinese enterprises and which is involved in Africa's development, has pledged to contribute \$6 billion [12].

From 2016, the China-Africa Research Initiative (CARI) of the John Hopkins School of Advanced International Studies (SAIS) published the results of research on Chinese loans to Africa from 2000 to 2014. Chinese banks, companies and government provide over \$ 80 billion to Africa. The largest recipients were Angola (\$ 21.2 billion), Ethiopia (\$ 12 billion), Kenya, and Sudan (\$ 5 billion each) [7]. Thus, petrol rich countries are not necessarily the main recipients of financial resources: Angola is the first on the list, but Ethiopia, which is poor in raw materials, comes next. At the same time, Chinese loans to the continent went more to constructing

infrastructure – roads and railways, electrification, etc., than producing hydrocarbons and minerals.

China's cooperation with African countries entered a new phase in 2016 as the year became a record: Chinese companies invested \$ 14 billion in Africa. The previous record was reached in 2008, when Africa received \$ 9 billion of investment. In total, 245 cooperation agreements were concluded for more than \$ 50 billion. From January 2013 to July 2016, the number of Chinese projects in Africa increased by 112%; the number of jobs created by the Chinese was up by 413%, and the number of companies investing in the continent has more than doubled (an increase of 108%). The contract value of the projects recorded in the agreements in January-November 2016 was \$ 65 billion. From January to July 2016, China implemented 36 projects in Africa (for comparison, 38 projects were implemented in 2012) [7].

In 2015, a memorandum of understanding was signed between the People's Republic of China and the African Union to fulfil the “African dream”: to connect the high-speed rail and highway network, as well as the air traffic of the capital of the 54 countries of the continent. In particular, in 2016, the 187 km long Abuja-Kaduna Railway was opened in China Civil Engineering Construction Corporation (CCECC) by China Civil Engineering Corporation. A Chinese-built railway linking Ethiopia and Djibouti was opened in 2017 [5].

That is in African countries, there is an unprecedented construction boom, and China plays an important role [13]. An important feature of Chinese projects is that construction management and technical staff are Chinese, but the workers are Africans, helping to create jobs in Africa and refuting the popular belief that Chinese workers are “taking bread from the local population.” Beijing, of course, is not an altruist. The network of railways and ports in Kenya, Tanzania and Djibouti are extremely important for Chinese trade. By making large-scale investments, Beijing cannot count on a quick return and faces some financial risks. However, African countries are benefiting from Chinese-supported projects.

Of course, it's impossible to say that relationship of China and African countries have an exceptionally positive character. A major problem for the African continent is the widespread migration of Chinese nationals who occupy existing jobs in Africa. It is estimated that there are currently more than 500,000 Chinese in Africa. This trend causes strong discontent with the African authorities. In addition, Liberia, Cameroon, Mozambique and Namibia are dissatisfied with China's large-scale deforestation. And filling the African market with Chinese goods leads to a fall in the supply of products from African manufacturers. Thus, due to the advent of cheap Chinese textiles, similar production in South Africa was almost completely destroyed.

Analysing the cooperation of China with Africa in the early twentieth century, we can highlight a number of features of the new strategic course.

First of all, it is vital that China puts economic interests on the first place. In accordance with the economic goals pursued, the Chinese leadership is making adjustments in its foreign policy and foreign economic. Thus, China seeks to gain access to the African continent's energy base and mineral resources and to establish a continuous supply of raw materials to China, thereby meeting the needs of China's rapidly expanding economy [3]. China is also looking for new markets for Chinese goods. African countries are very attractive to Chinese entrepreneurs, primarily because of low competition and high demand for Chinese products.

The second feature is the institutionalization of relations between China and the countries of Africa. First of all, this is evident in the China-Africa Forum, which has been in operation since 2000. During the meetings of the Sino-African Forum, decisions were made to hold regular consultations on major international issues and to strengthen economic, political and cultural cooperation [15]. Another example of the institutionalization of Sino-African cooperation is the "China Policy Paper on Africa," published in 2006 [1]. This document identifies specific mechanisms for strategic cooperation between China and the African States. In the document, the leadership of the People's Republic of China proposed to strengthen political mutual trust, to expand mutually beneficial economic cooperation, to attach importance to mutual borrowing in the field of culture, to enhance security cooperation and to establish close coordination on international issues.

China, unlike the countries of the West, proclaims non-interference in the domestic affairs of African states and follows this principle. China carefully avoids all controversial issues related to human rights, freedom of expression, election fraud and corruption in Africa. The leadership of the People's Republic of China does not criticize the official regimes of the countries with which it maintains or intends to maintain diplomatic relations, nor does it address the issue of economic and humanitarian cooperation with respect for human rights, which is an obstacle to the development of similar American and European-African relations.

Western countries are putting forward political conditions for cooperation, thereby narrowing their ability to strengthen their position in Africa. In turn, the PRC government is seeking ways to implement its plans without fear of causing discontent with the world's leading countries. Clearly, all things being equal, and often even with more modest proposals from China, virtually all African ruling circles prefer to deal with Chinese who do not impose unnecessary obligations.

The third feature of China-Africa relations is the Chinese leadership's desire to create a positive image of China in the world, and in the African continent in particular. Since the beginning of the 21st century, the Chinese government has increasingly used the concept of "soft power" as a way of influencing Africa. China has stepped up its activities in the fields of culture and education and is working to support humanitarian cooperation [4]. To date, education agreements have been signed between China and the 50 African states, specialized training centres for African countries have been established. Each year, China receives and sends over 10,000 students and specialists under agreements between China and Africa. China annually sends agricultural experts to African countries and provides training assistance. In the health sector, PRC dispatches medical supplies and equipment to the African continent, as well as assistance in combating common diseases such as malaria and AIDS.

The concept of "soft power" is a key element in China's successful development. African leaders have repeatedly drawn on the experience of the PRC, paying particular attention to the Chinese model of development, which has helped not only to alleviate social problems, but also to elevate China in the world. Obviously, all this contributes to the goal of the PRC government to enhance the country's authority in the eyes of African leaders.

Finally, it should be noted that Africa is one of the strategic objectives in China's foreign policy and foreign economic policy. African countries not only provide China with resources to stimulate the country's economic growth, but also help support China's status in the world. In turn, the leadership of the People's Republic of China constantly adjusts its policies in accordance with the goals and interests of both parties, taking into account the constantly changing circumstances of today.

Therefore, the main question remains whether China's relations with Africa are neo-colonialism or mutually beneficial. As we can see, the era of reforms in the socio-economic and political spheres has begun with the coming of the new government in the PRC. Priority was given to developing the country's economy through the use of external resources and cooperation with other countries, including third world developing countries. China's foreign policy towards the African States has become more flexible, with particular emphasis on common interests and benefits [5; 11].

In the 21st century, it can be observed that political cooperation between China and African countries is developing in all directions. Along with diplomatic cooperation, interaction at the inter-parliamentary level, between international, regional and non-governmental organizations can be observed [8].

Importantly, Africa needs China not only as a political ally, but also as a partner providing financial assistance.

As a result of norms dictated by international organizations and institutions, African states are unable to compete with other countries in foreign markets. Under these circumstances, Africa is particularly interested in cooperating with the PRC, which allows it to regain its economic sovereignty. From an economic point of view, Africa's cooperation with the PRC is also beneficial because of the large investments made by China, African countries are developing the scientific and technological sphere and industry. China helps African countries to tackle not only economic but also humanitarian issues. For example, such as malnutrition, dehydration, starvation and illness [7].

China's setting of economic priorities in the development of Sino-African relations is explained by the desire of the country's leadership to create favourable conditions for internal construction, which, in turn, contributes to the rapid economic growth of China. Another economic reason for PRC to contact Africa is the new markets that Chinese entrepreneurs need. In addition, African countries are a promising investment market.

Economic interests are the main reason for developing Africa's contacts with the outside world. The Government of the PRC is seeking new avenues and expanding multilateral diplomacy to prevent the entry of developing countries into the African continent. In this regard, the Chinese leadership pays particular attention to cooperation with the Economic Communities of the West African States (ECOWAS), the Common Market of East and South Africa (COMESA), and the regional economic organizations of Africa [7].

An important component of China-Africa economic cooperation is China's assistance to Africa. China, in the first place, seeks not only to finance Africa to assist in the development of the region, but also to benefit from it economically [14].

This is mainly manifested in increased investment and in the provision of loans. Investments by Chinese companies in Africa increase the volume of Chinese-African trade, create favorable conditions for private African enterprises and stimulate the purchase of Chinese equipment and machinery. Chinese companies invest in raw materials, energy, communications and information technology, infrastructure and transportation. The investment of Chinese funds in Africa not only stimulates the economic development of the two regions, but is also dictated by a number of objective reasons [9].

However, in China's economic policy in Africa, one of China's main goals is to obtain Africa's raw materials and energy resources. In addition to providing soft loans, the Government of the PRC uses, such forms of cooperation as setting up joint ventures.

In addition, the PRC and the African countries are fully in line with the countries that build mutually beneficial relations. Despite the recent emergence of anti-Chinese sentiment in the African continent caused by the influence of Western countries, which criticize and reveal the negative effects of China's penetration on the continent [2]. However, the leaders of the People's Republic of China are deliberately continuing their strategic course aimed at expanding contacts with African countries and strengthening cooperation in all directions, and more and more African countries are seeing overwhelmingly positive consequences for their country.

Conclusions

Throughout the development of Sino-African relations, the Government of the PRC continues to claim that they are a country that upholds the interests of the African continent on the international level. At the beginning of the 21st century, China's foreign policy and foreign economic courses underwent changes that were driven by China's desire to strengthen its status in the world and increase its economic strength. More and more, the new leadership has been saying that a central point in China's foreign policy is the creation of a "harmonious world."

Changes in China's foreign policy course in the 21st century and the principles of developing relations with countries in the African continent influenced the formation of the model of cooperation.

First, it should be noted that China puts economic interests first. Economic cooperation is beneficial for both parties. Due to financial assistance from the PRC, economies in many countries in the African continent are depressed and there are signs of further economic growth, infrastructure is developing, and the standard of living on the continent is increasing.

The second feature is the institutionalization of relations between China and the African countries and their formal design. This is primarily reflected in the establishment of the China-Africa Forum, which has been operating since 2000. The first conference adopted the China-Africa Economic and Social Development Program and the Beijing Declaration. Another example of the institutionalization of Sino-African cooperation is the China Policy Paper on Africa, published in 2006.

The third feature of Sino-African relations is the Chinese leadership's desire to create a positive image of China in the world, and in the African continent in particular.

Summing up, it can be noted that Sino-African cooperation from the beginning of the official formation of relations between the regions has a positive impact on the development of both and, in the authors' opinion, is a mutually beneficial cooperation.

References

1. Kovalchuk, A.P. (2013). Kak mir pomogaet Afrike preodolet krizis i narashivat tempy ekonomicheskogo razvitiya [How the world is helping Africa overcome the crisis and accelerate economic growth]. *Aziya i Afrika segodnya – Asia and Africa today*, 5, 9-17 [in Russian].
2. Mohan, G. (2008). China in Africa: A Review Essay, *Review of African Political Economy*, 35, 1, 155-173 [in English].
3. Movchan, M.P. (2015). Politichni ta ekonomichni interesi Kitayu na Afrikanskomu kontinenti [Political and Economic Interests of China on the African Continent]. *Ekonomichnij chasopis-XXI – Economic Annals-XXI*, 3-4(1), 12-15 [in Ukrainian].
4. Niquet-Cabestan, V. (2007). La stratégie africaine de la Chine. *Politique étrangère*, 2, 361-374. Retrieved from <https://doi.org/10.3917/pe.062.0361> [in French].
5. Thompson, A. & Olusegun, S (2014). China in Africa: An Evaluation of Chinese Investment. Retrieved from http://www.ippanigeria.org/articles/China%20-Africa%20relation_Workingpaper_final.pdf [in English].
6. Soloninko, K. S. (2008). *Mizhnarodna Ekonomika [International Economy]*, Kyiv: Kondor [in Ukrainian].
7. Stahl, A. (2016). China's Relations with Sub-Saharan Africa. *Istituto Affari Internazionali. Working papers*. Rome, Italy. Retrieved from <https://www.iai.it/sites/default/files/iaiw1622.pdf> [in English].
8. Schiere, R., Ndikumana, L. & Walkenhorst, P. (2011). China and Africa: An Emerging Partnership for Development? *African Development Bank Group. Belvédère. Tunis*. Retrieved from <https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/Anglaischina.pdf> [in English].
9. Haifang, L. (2010). China's development cooperation with Africa: historical and cultural perspectives. *The rise of China and India in Africa*. London, England [in English].
10. Looy, J. (2006). Africa and China: A Strategic Partnership? *ASC Working Paper, 67*. African Studies Centre. Leiden. Netherlands. Retrieved from <https://www.ascleiden.nl/pdf/wp67.pdf> [in English].
11. Marafa, L. (2009). Africa's Business and Development Relationship with China. *Nordiska Afrikainstitutet*. Stockholm. Retrieved from <https://nai.uu.se/research/publications/DP-44.pdf> [in English].
12. *Economic Forecasts from the World's Leading Economists (2019)*. China Economic Outlook. Retrieved from <http://www.focus-economics.com/countries/china> [in English].
13. Strategic group Sofia (2018). China Absorbs Africa. Retrieved from <http://sg-sofia.com.ua/kitaj-poglinaje-afriku-zikl-materialiv> [in English].
14. The China-Africa Research Initiative (2019). Chinese Loans to Africa. Retrieved from <http://www.sais-cari.org/data-chinese-loans-to-africa> [in English].
15. Burmistrov, P. (2006). Kitaj: ot novoj strategii v Afrike k globalnomu dominirovaniyu [China: from a new strategy in Africa to global dominance]. *Prognosis: zhurnal o buduschem – Forecasting - Journal of the Future*, 3, 25-37 [in Russian].