Africa, China and the 'new' economic geography of development

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Introduction: underdevelopment as 'bad latitude'

In recent years the work of economist Jeffrey Sachs has tirelessly promoted the idea that geography causes poverty (Sachs, 2006) or as Haussman (2001) has put it: underdevelopment is a case of 'bad latitude'. Here, income disparities within and between regions are explained by erratic climates, poor soil, inaccessibility, low agricultural productivity and infectious disease which then "mutually reinforce each other in a vicious cycle of destitution and backwardness" (Watts, 2003: 65). If only African 'tribes' had lived in Europe, argues Jared Diamond (2005), it would be they and not Europeans who dominate world affairs today. Here 'Africa' in particular is cast as a 'prisoner of Geography' (Hausmann, 2001) as nature, location and topography are seen to determine African growth and welfare. Moreover, according to Landes (1999), while African poverty is partly a consequence of bad geography and insufficient infrastructure it also occurs due to 'toxic' cultures that 'handicap those who cling to them' since cultural values, such as hard work, honesty, open-mindedness and a commitment to democracy are supposedly not as present in Africa as in Europe.

Much of this work "takes us back rather than forward indeed it carries a pungent, late-Victorian imperial odour" (Watts, 2003: 66). Central to these discourses of development concerning 'Africa' is an Orientalism which repeatedly reduces the continent in all its diversity to a core set of *deficiencies* for which external 'solutions' must be devised (Andreasson, 2005). One of Sachs' (2006) invocations is that it is incumbent upon successful market economies to bring those areas of the world that still need help onto "the ladder of development". Imperial hierarchies thus continue to shape the imagined geographies of international development which place Africa on the bottom rung of this ladder reliant on 'successful market economies' for help. Hence, for this geographically challenged continent the prognosis is often a good dose of globalisation (Watts, 2003) with Africa becoming a bigger part of global markets. Yet globalisation is not some recent process to which Africa is only now being connected, courtesy of the IFIs. Rather there are long standing *structural* trends concerning Africa's position in the international division of labour and its dependence on natural resources that explain the continent's limited growth and development and not its physical characteristics, poor roads or supposedly 'toxic' cultures (see also Folds and Rigg in this forum).

However, for Sachs (2006) the real solution to Africa's problems is not really economic. It is not a matter of the right monetary and fiscal policies but of roads, fertilisers, hospital beds, malaria nets and AIDS treatments - readily available technocratic solutions which are missing only for lack of funds. In early 2007 Sachs noted that whilst the World Bank was mired in the Wolfowitz scandal, clinging to rigid free-market ideology and having forgotten "the most basic lessons of development" (Sachs, 2007), China was busy offering "much more practical advice" as it "skilfully raises its geopolitical profile in the developing world" (Sachs, 2007: 1). As China set about stressing the crucial role of public investments in infrastructure and agriculture as the basis for private sector growth the World Bank is portrayed here as "preferring to lecture the poor", forcing African countries to privatise rather than invest in infrastructure.

This sense of the IFIs needing to go 'back to basics' and that the initiative around international development has been usurped by China is interesting. In what follows we want to explore the possibility (often trumpeted in Beijing and echoed in numerous African capitals in recent years) that China's vision of co-operation, partnership and 'development' can help to narrow the gap between Africa and other parts of the 'global South' and reshape Africa's extraverted relations with the global economy.

The continuing marginalization of Africa?

While Africa is still marginalized in academic research as a result of parochialism and racism, the continent has become the focus for attention in the last five years from China, India and the US. Much of this interest is centred on energy security and additionally for the US the dangers of 'terrorism'. So, we may see the revival of interest in African development, but not one that is so focused on purposive development interventions by multilaterals and NGOs, but rather one anchored in geopolitical and geoeconomic priorities. This is more about development as economic cooperation for growth, with the focus on infrastructure and other 'motors of investment' as opposed to the software of governance. As we saw China is lauded by commentators like Sachs for leading a revival of interest in infrastructure and other donors are beginning to follow suit. Although China steadfastly refused to join key institutions of South-South co-operation like the Non-Aligned Movement or G77, since joining the WTO in 2001 China has become active in trying to address some of the trade asymmetries between North and South. Running through China's engagement with African 'partners' is an emphasis on South-South co-operation based on a number of perceived 'similarities' between China and African states including having histories of being colonised and sharing a focus on poverty and development.

However, we must neither over-play China's role in Africa nor be swept along by China's rhetoric of South-South co-operation which may be little more than a camouflage concealing China's private interests and the pursuit of profoundly different goals. China clearly does matter for Africa, but not as much as the 'China Hawks' (Nye, 2006) in Washington believe with all their fears about China's 'rogue aid' and the supposed threat its 'opportunistic lending' poses to 'well meaning' donors (Naim, 2007). Much of China's commercial interests are not vastly different to other commercial interests in the continent yet in contrast to some donor countries and agencies, the Chinese are thinking long-term and do not see Africa as a 'basket case' (viewed only through the prism of 'aid' and 'development'), but as a region of profitable economic possibilities.

So should China's deepening engagement with Africa be characterised as a resource scramble reminiscent of the 'age of empire'? The answer is both 'yes' and 'no'.

Contemporary media representations of China in Africa speak of China's insatiable appetite for African resources (whilst remaining deeply uncritical about 'western' interactions with Africa) and depict a monolithic Chinese dragon scrambling for African natural resources to service its own growing capitalist economy. However, all industrialized countries are seeking to diversify oil supply away from the Middle East and attention is switching to the Gulf of Guinea. As a result there will likely be more joint ventures between Chinese and Western firms, but apart from Angola and Sudan China is not really a major player in the African oil industry.

A key question here is who benefits? This in turn raises older concerns about a 'resource curse' and what Harvey terms 'accumulation by dispossession' (Harvey 2003). We would suggest that China may simply be offering new markets for African commodities without reshaping the continent's place in the international division of labour. With little scope for adding value in Africa to these commodities or for encouraging African private enterprises and in the absence of a focus on political empowerment, its seems that the distributional outcomes of Chinese led 'growth' will be limited. The relative absence of Chinese environmental conditionalities around resource extraction and Chinese corporate engagement more generally may even trigger a broader 'race to the bottom'. Indeed, as the expression of anti-Chinese sentiments in Southern Sudan, Ethiopia, Zambia's Copperbelt, the Niger Delta and South Africa illustrate, local people feel marginalized by this new spate of wealth creation, though in this regard China is targeted as a foreign investor *per se* rather than simply for being Chinese.

That said a significant but overlooked dimension of China's role in Africa is the inward migration of Chinese people. The figures are notoriously unreliable but we know of significant inflows in South Africa, Nigeria, Sudan, Angola, Mauritius and Zambia. In these and other countries the presence of Chinese businesses is transforming retail and service sectors. Many bring entrepreneurial skills and capital, which is vital for Africa yet where relatively unskilled workers are brought in they displace African labour. More proactive African governments are building localisation agreements into the investment and loan packages offered by the Chinese in order to guarantee contracts for African firms and workers, but it remains to be seen how far such clauses are honoured or whether African firms and labourers have the necessary expertise.

A key feature of the 'who benefits?' question is the politics of redistribution. Rents from minerals in African often tend to accrue to elites and fail to trickle down to the poor. So, given China's search for natural resources in Africa it is now more important than ever to ensure that rentier states are held accountable. A related question concerns whether the demand for resources will be destabilizing geopolitically. Both the US and China are keen for stability and security. The US more explicitly links 'development' in Africa to 'security' since poverty and inequality are seen to breed animosity. By contrast the Chinese emphasise stability, but have been reluctant to interfere in the political affairs of other countries. Their aid is premised on non-interference and mutual respect rather than conditionality, and they argue that the practice of conditionality undermines sovereign guaranteed human rights. Most Chinese finance is in the form of soft loans and a collateralizing of minerals rather than aid, so they are much more commercially oriented in their engagement. They are also more project-focused than the fungible, direct budget support of other donors.

For Africa China's interest highlights the lingering conditionality of PRSPs. For African countries these two approaches to aid – the liberal model of the western donors and the more commercially minded one of the Chinese - permits 'triangulation' in which governments can play donors and investors off against one another. This was most notable in Angola where the government accepted a $2 billion loan from China's ExIm Bank in preference to, and much to the chagrin of, the IMF (Mohan and Power, 2008). China's growing influence in Africa then is much more complex and contradictory than Sachs envisions. While technical solutions are important to kick-start African development we need to situate Africa's possibilities within a longer term, 'structural' account of global development. By doing so, we see China as not that radically different from other countries over time and that its interests will not necessarily liberate Africa from dependent development, precisely because they don't encourage diversification, value-added industrialisation, or redistribution of economic rents. Hence, it could be argued that rather than 'South-South cooperation' China's interest in Africa constitutes might be the more familiar and hegemonic 'North-South relationship'. Despite the unhelpful and reductive metaphors of 'North' and 'South' the structural impediments to development have nothing to do with latitude and everything to do with the ideologies of development that underpin them.

Decentring the North

Finally, the growing emphasis on South-South interaction, of which China/Africa is a primary example, forces us to rethink 'development' more broadly. It is no longer useful to think in national or regional terms since, for example, China sees the fate of Africa as crucial to its own growth. The growth of the so-called Asian Drivers, and the BRICs more generally, will see a new multipolarity in international development and growing sources of investment and aid 'outside' of the western axis that has dominated for much of the last century. As such we need to ask awkward questions about the 'Westernness' of ostensibly 'Western' approaches to development and the 'non-Westernness' of others (Bilgin, 2008: 6). Rather than seeing China as an exception we need to attend to the ways in which China's economic vision and emerging capitalist ideology has affinities with the neoliberal orthodoxies that dominate international development. In this sense we would suggest that for all the triangulation and co-operation that China's African engagement has enabled, the ideological space of development theory and practice has not necessarily been enlarged. That said we need a much closer reading of Chinese literatures on development theory and International Relations, and more importantly an on-going analysis of China's actual development trajectories and their realisation in foreign policy. Africa is a key testing ground for this, but truly comparative studies of China's differential engagements with multiple 'developing' regions will really begin to elucidate the nature of development 'with Chinese characteristics'. Only then will be able to say whether or not this is a model of co-operative development for the South.

A key element of China's engagement with Africa is the role of the state, in making public investments in infrastructure and agriculture for example, despite the neoliberal orthodoxies about rolling it back. The Chinese presence engenders a new debate about what model of state-market relations is appropriate and how foreign policy supports domestic resource needs. Here there is an interesting disjuncture between the Chinese policy of non-interference and their growing influence within African states. An important emerging research agenda is whether a true respect for sovereignty in international development policy is possible in a globalising world and whether the Chinese will, as previous superpowers before them, be forced to become more embroiled in Africa's governance. Further, China's successful model of growth via economic liberalisation without political reform has been used by some African leaders to rebuff calls for governance reform. Yet critical development analysis needs to question what may become an alternative orthodoxy by addressing essentially empirical questions of who benefits? If China's development model simply serves as a smokescreen for business-as-usual exploitation by African elites then whatever its normative and political appeal, it is not a model that impoverished and marginalised Africans need.

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