

# Tensions at China-Africa summit

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The Chinese leadership held its latest summit with African countries last week, attended by six heads of state and ministers from 50 countries. In a bid to boost its influence across the continent, China agreed to provide \$US20 billion in credit, doubling the amount it offered at the previous Forum on China-Africa Cooperation three years ago.

Sensitive to Western criticisms of “Chinese neo-colonialism”, President Hu Jintao insisted in his speech to the forum that “a new type” of strategic partnership between China and Africa had been established. “We should oppose the practices of the big bullying the small, the strong dominating over the weak and the rich oppressing the poor,” Hu said. He pledged that China would be “a good friend, a good partner and a good brother”.

Hu listed what China had done for Africa: \$15 billion of preferential loans, 100 schools, 30 hospitals, 30 anti-malaria centres and 20 agricultural technology demonstration centres, as well as the training of 40,000 African personnel and 20,000 scholarships.

Beijing has directed the state media to counter the “neo-colonial” charges. The Xinhua news agency declared the accusation was “biased and ill-grounded”, because the Sino-African relationship is based on “equality and mutual benefit ... fact is more convincing than rhetoric.” It insisted that China has provided “Africa with much-needed products and technologies, and a vast market for its commodities.”

Accusations of Chinese “colonialism” by the US and European powers are motivated by nothing else except concern for their own strategic and commercial interests that are under challenge from Beijing. Africa was carved up between the imperialist states in the

nineteenth century, and ever since the continent’s natural resources and cheap labour have been the preserve of US and European corporations. The major powers now aim to maintain the status quo and shut out China.

Last year US Secretary of State Hillary Clinton took a thinly-veiled swipe at China in a speech in Zambia that warned of a “new colonialism” threatening Africa. “We saw that during colonial times, it is easy to come in, take out natural resources, pay off leaders and leave,” she declared. The criticisms are part of the Obama administration’s offensive to undercut Chinese influence in Asia and around the world.

As part of this campaign, the Obama administration is building up its military presence in Africa. Last month, the Pentagon approved the deployment of 3,000 US troops across Africa in 2013, as part of its “regionally aligned force concept”. At present, 1,200 US military personnel are stationed in Djibouti.

The US and its Western allies have already used military force to undermine China’s position in Africa. The NATO war that toppled Libyan leader Muammar Gaddafi last year also cost China some \$4 billion in investment. The division of Sudan into two countries, which was orchestrated by the US and its European allies, was also aimed at undermining China. Beijing had developed Sudan into a major oil supplier from the 1990s.

President Hu’s defensive remarks at the forum were aimed at countering criticism not only from the Western powers, but also within Africa. While still small by comparison to Western powers, China’s investment is not benign but is aimed at furthering the demands of Chinese capitalism for raw materials,

markets and profits.

Even South African President Jacob Zuma, who has been a key African leader pushing for closer ties with China, warned of “unsustainable” trade relations based on the export of energy and raw materials to China and the import of cheap Chinese manufactured goods. “Africa’s past economic experience with Europe dictates a need to be cautious when entering into partnerships with other economies,” Zuma said.

Zuma is facing growing calls for protectionism at home. Congress of South African Trade Unions official Tony Ehreinrich told the BBC in May that in Western Cape alone, 120,000 jobs in the clothing industry had been lost over the past five years. He demanded that Chinese exports be kept “out of our markets”. The unions have recently concluded a deal with South African textile manufacturers slashing the wages of new workers by 30 percent, in the name of maintaining competitiveness with Chinese imports.

To alleviate the “unbalanced” trade, China has agreed to import more non-mining products from Africa, as well as to invest more in African industry, rather than just mining and infrastructure.

Underlying the tensions at the forum is the rapid growth of China’s economic relations with Africa. In 2009, China overtook the US to become Africa’s single largest trading partner. Two-way trade hit \$166 billion last year, with a trade surplus in Africa’s favour due to surging exports of minerals, oil and agricultural products. China’s foreign direct investment in Africa has skyrocketed from under \$100 million in 2003 to more than \$12 billion in 2011, mainly in infrastructure, often to facilitate the shipment of raw materials.

Speaking at the New York Forum Africa conference last month, Gao Xiqiang, vice-chairman of the China Investment Corporation, emphasised the real driving forces behind China’s economic involvement with Africa. “Wherever there’s profit to be made, capital will go there. There’s not much difference for Chinese capital, as compared to any capital in the world,” he said.

Gao insisted that China was not competing with American capital, whose capital market accounts for almost half of the world total. “Despite all the income investment in Africa, China only accounts for a few percentage points, whereas the Western powers have been here for forever and they account for more than 90 percent, especially the minerals and resources investment. So we don’t compete; we come here to cooperate.”

Gao’s appeal for cooperation undoubtedly fell on deaf ears in Washington. Amid a worsening global economic crisis, the US is not willing to countenance any challenge to its economic and strategic dominance in Africa or any other corner of the globe.



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