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CHINA IN AFRICA: THE RISE OF HEGEMONIC POWER IN THE CAPITALIST WORLD-SYSTEM?

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CHINA IN AFRICA: THE RISE OF HEGEMONIC POWER IN THE CAPITALIST WORLD-SYSTEM?

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I hereby declare that all information in this document has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results that are not original to this work.

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ABSTRACT

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China's rise as a dominant player in the capitalist world-economy is probably the most significant development of the 21st century so far. After a wave of reforms spanning more than a period of two decades, China is now the second largest economy in the world, behind the United States. Its economic renaissance has formed the basis of its new engagement with the rest of the world. Its resurgence in East Asia and beyond has positioned the East Asian nation as the heir apparent to the declining United States hegemony in the world-system. Its burgeoning engagement with Africa has elicited concerns that China is using, as Western states (the Dutch, British and the United States in particular) have done in the past, Africa in order to promote its hegemonic aspirations in the world-system. The thesis explores Africa's role in hegemony making in the world-system since its inception in the

sixteenth century and the specific role of Africa in China's potential rise to hegemony in the twenty-first century.

Keywords: World-system, hegemony, Africa, China, Ghana

ÖZ

AFRİKA'DA ÇİN: KAPİTALİST DÜNYA SİSTEMİNDE HEGEMONYACI BİR GÜCÜN YÜKSELİŞİ

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Temmuz 2019, 204 sayfa

Çin'in kapitalist dünya sisteminde başat bir oyuncu olarak yükselişi, 21. yüzyılın muhtemelen en önemli gelişmesidir. Yirmi yıldan uzun süren bir reform dalgasından sonra Çin şu anda Amerika'nın ardından dünyanın en büyük ikinci ekonomisidir. Ekonomide geçirdiği Rönesans, dünyanın geri kalanı ile olan yeni ilişkilerinin temelini oluşturmuştur. Çin'in Doğu Asya ve ötesindeki artan faaliyetleri, bu Doğu Asya ulusunu Birleşik Devletler'in dünya sistemindeki güçsüzleşen hegemonyasının açık bir mirasçısı olarak konumlandırmıştır. Afrika ile gelişmeye başlayan ilişkileri, Batılı devletlerin (özellikle Hollanda, İngiltere ve Birleşik Devletler) geçmişte yaptıkları gibi Çin'in de dünya sistemindeki hegemonyacı arzularını artırmak için Afrika'yı kullandığı şeklindeki endişeleri ortaya çıkarmıştır. Bu tez, on altıncı yüzyıldaki başlangıcından bu yana dünya sisteminde hegemonya yapımında Afrika'nın rolünü ve

Afrika’nın Çin’in yirmi birinci yüzyılda hegemonya konumuna yükselmesindeki belirgin rolünü araştırmaktadır.

Anahtar Kelimeler: Dünya sistemi, hegemonya, Afrika, Çin, Gana

To my Wife (Fati) and Kids (Adam and Majid)

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After 5 years of intensive studies, I draw the curtain to a close with a note of thanks to people who have diverse ways contributed to making this possible. It has been a period of intense learning for me, not only in the scientific level, but also on a personal level. Composing this thesis has had a big impact on me, and there were a number of special people during a long and rough process while working on this thesis and it would not have been possible without the support of those people to whom I owe the earnest gratitude.

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LIST OF ABBREVIATIONS

AAPSO	Afro-Asian People's Solidarity Organization
ADB	African Development Bank
AFRICOM	US Africa Command
ASEAN	Association of Southeast Asian Nations
AU	African Union
BBC	British Broadcasting Corporation
BHP	Bui Hydropower project
BNP	Bui National Park
BRIC	Brazil Russia India China
CARI	China Africa Research Initiative
CCB	China Construction Bank
CCP	Chinese Communist Party
CCTV	China Central Television
CDB	China Development Bank
CEO	chief executive officer
CNOOC	China National Offshore Oil Corporation
CNPC	China National Petroleum Corporation
CRBC	China Road and Bridge Corporation
CSCEC	China State Construction Engineering Corporation
CSIH	China Sonangol International Holding
CSOs	civil society organizations
CSR	corporate social responsibility
DFID	Department for International Development
DRC	Democratic Republic of the Congo
EEZs	exclusive economic zones
EPC	engineering, procurement and construction

EU	European Union
ExIm Bank	China Export-Import Bank
FDI	Foreign Direct Investment
FOCAC	Forum on China–Africa Cooperation
GDP	Gross Domestic Product
Ghana TUC	Ghana Trade Union Congress
GIPC	Ghana Investment Promotion Centre
GNP	Gross National Product
ICT	Information, Communication and Technology
IEA	International Energy Agency
IMF	International Monetary Fund
IR	International Relations
LDC	Least Developed Country
MDGs	Millennium Development Goals
MFA	Ministry of Foreign Affairs
MOFCOM	Ministry of Commerce
NAM	Non-Aligned Movement
NDC	National Democratic Congress
NEPAD	New Partnership for African Development
NGO	Non-governmental organization
NICs	Newly Industrialized Countries
PRC	People's Republic of China
ROC	Republic of China
SEZ	special economic zone
SME	small and medium enterprises
SOE	state-owned enterprise
SSI	Sonangol-Sinopec International
TAZARA	Tanzania-Zambia Railway Authority
TNCs	transnational corporations

UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNPKO	United Nations peacekeeping operation
US	United States
USSR	Union of Soviet Socialist Republics
WTO	World Trade Organization
WWF	World Wildlife Fund
ZTE	Zhongxing Telecommunication Equipment Company Limited

CHAPTER 1

INTRODUCTION

China has emerged from a three-decade long reform as one of the leading states in the world-economy. Its economic renaissance has formed the basis of its foreign policy across the world. Its resurgence in Africa has elicited unprecedented levels of scholarly articles, books and policy briefings on the subject of Sino-Africa relations. The growing number of these publications continue to enrich the discussion and broaden the scope of enquiry into the pros and cons of the burgeoning engagement between China and Africa. One of the dominant views emerging in the scholarly circle is that, China is using, as Western states (the Dutch, British and the United States in particular) have done in the past, Africa in order to promote its hegemonic aspirations in the world-system.

This thesis examines Africa's role in the hegemonic aspirations of China within the broader framework of the world-system. This requires transcending the current Sino-Africa relation to investigating Africa's role in the making of hegemony in the capitalist world-economy since its emergence in the early sixteenth century. As will be shown in this study, African resources have not only played a major role in the development of the world-system but also contributed in the making of the three hegemonic powers (Dutch, British and United States) the world-system has seen so far.

The research adopts Immanuel Wallerstein's Braudel-inspired World-Systems Analysis (WSA) as the theoretical framework of this study. Wallerstein started his academic career writing and researching on Africa en route to theorizing the world-systems approach[1]. The thrust of Wallerstein's argument is similar to the one shared by the dependency theory promoted by Andre Gunder Frank in the 1970s. For Wallerstein, the resolution of systemic crisis of accumulation in the capitalist world-economy involves a change in the center of global processes of accumulation (Wallerstein, 1974; 1980). This change in leadership involves the fall of a hegemonic core power and the subsequent rise of another. Hegemony is not attained by chance but a product of the historical development of the capitalist world-economy. States achieve hegemony based on the comparative advantage they establish over their competitors in the arena of economic, military, political, and cultural. The Dutch, British and the United States all achieved hegemony in the world-system in the seventeenth, nineteenth and twentieth century respectively.

Sub-Sahara Africa's contribution to this process was instrumental. Nonetheless, the hegemonic sequence literature has only paid lip service to the contribution of Africa since the inception of the modern world-system. Western academics have often treated the European world-economy as if it were entirely autonomous: literature seeking to explain the rise of the West and Europe in particular cite its unique homegrown industrial success and institutions as reason for its

[1] Immanuel Wallerstein spent close to two decades writing on nationalist movements in West Africa and their struggle against colonial rule. The list of his publications on Africa include, Africa: The politics of Independence and Unity (1961, 1967), The Road to Independence: Ghana and Ivory Coast (1964), Africa and the modern world (1986).

development (DeVries 1976:139-46). On the contrary, I argue that non-European peripheries and Sub-Sahara Africa in particular have played a critical role not only to the development of the capitalist world-economy but also contributed immensely to hegemony making in the system. The West may have had institutions, which gave priority to capital accumulation, but internal inventiveness cannot adequately explain its rise. The present study will accentuate the role and contribution of Africa to the making of the three cases of hegemonic transitions (Dutch-British-US) the modern world-system has witnessed so far.

According to some observers, United States' decline and the growing importance of China in the world-economy signify an end to the Western-led hegemony to be replaced by one dominated by East Asia (Arrighi 2007). What impact will the rise of China have on the existing world order? What will China eventually become? How will the rise of China affect the existing features of the capitalist world-economy? These are questions posed by the rise of China in the world-economy.

For most realists, as China's growing influence in the world-economy expands and the United States continues to decline, China will try to use its growing influence to restructure the current international system to better serve its objectives. The declining hegemon will start to see China as a growing security threat. The net effect of this they argue will be tension, distrust, and violent conflict leading to power transition[2]. But this doesn't always play out in an all out war.

[2] The realist assumption is that for the next hegemonic power to emerge, it has to go to war with the declining hegemonic power. See John G. Ikenberry, The Rise of China and the

China's engagement with Africa is not new; it's a process that began several centuries ago. Nonetheless, its economic and political interest in Africa is a recent one and perhaps the most significant. China became Africa's largest trading partner in 2009, topping the US with trade volumes notching up to US$220 billion in 2014 from US$200 million dollars in 2000 (Gadzala 2015:xvi). Almost 4 percent of China's Foreign Direct Investment (FDI) was channeled to Africa in 2013 compared to less than 1 percent of United States FDI to Africa that same year (Gadzala 2015:xvi). Between 2000 and 2017, China has lent over US$ 143 billion to African countries[3]. In September 2018, China made a further commitment of US$60 billion in development assistance to Africa at the Forum on China-Africa Cooperation (FOCAC) summit in Beijing[4].

This unprecedented level of economic engagement with the continent is matched by an equal measure of diplomatic presence in Africa. China now has embassies in 51 out of the total 54 African countries

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Future of the West. Can the Liberal System Survive? Foreign Affairs January/February 2008 and John Mearsheimer's *Tragedy of Great Power Politics*.

[3] China Africa Research Initiative at Johns Hopkins University's School of Advanced International Studies, Data-China's Loans to Africa available at http://www.sais-cari.org/data-chinese-loans-and-aid-to-africa accessed in December 2018

[4] Anna Fifield, China pledges $60 billion in aid and loans to Africa, no 'political conditions attached'September3,2018 available on https://www.washingtonpost.com/world/china-pledges-60-billion-in-aid-andloans-to-africa-no-strings-attached/2018/09/03/a446af2a-af88-11e8-a8104d6b627c3d5d_story.html? utmterm=.88537312c4f5

compared to the 50 embassies of the United States[5]. China now hosts more African university students than the United States does[6]. Confucius Institutes, China's instrument in promoting Chinese language and culture worldwide is becoming a common currency in African universities. High-level official state visits are now almost a monthly affair with marked presence of Chinese settler communities in Africa. The area of cooperation between China and Africa is multifaceted, covering development cooperation, political, cultural, trade, military and investment in different sectors of the African economy.

Just like any major development, China's forays to Africa continue to divide opinion. Optimistic observers on one hand point to China's massive investment in Africa's infrastructure in the form of provision of loans and debt relief as basis for enhanced cooperation that will be beneficial to African states in their quest for economic development (Darpar 2006; He; 2007). The alarmists, on the other hand point to the influx of cheap Chinese manufactured produce in African markets, China's support for authoritarian regimes and China's natural resource diplomacy as source of concern (Alden 2005; Tailor 2007).

This has provoked an old-age debate about colonialism and the contribution of the African periphery to the development of the

[5] With the exception of (Kingdom of Eswatini, formally Swaziland) who have diplomatic ties with Taiwan, China has diplomatic presence in the rest of Africa. See China Africa Initiative at John Hopkins University of Advance International Studies, China in Africa, the Real Story available on http://www.chinaafricarealstory.com/2013/06/china-us-and-africa-how-many-embassies.html

[6] China is the second largest host of African students in the world. France is the first preferred destination hosting about 95,000 African students, see https://www.focac.org/eng/zfgx_4/rwjl/t1602757.htm

capitalist world-economy since its inception in the sixteenth century. Sub-Sahara Africa's contribution to the development of the capitalist world-economy is well-documented; African resources, both human and natural have contributed not only to the development of the capitalist world-economy but also to the making of hegemonic core powers (Williams 1944; Wallerstein 1974; 1979). Mode of Africa's incorporation into the capitalist world-economy and mode of accumulation has been brutal: militarism, slavery, colonialism and imperialism, the result of which has been the development of the West on the one hand and the impoverishment of the African people on the other. Will China's increasing role in Africa lead to similar path taken by the West? Or is China venturing into uncharted territory? This study argues that China's engagement with the African periphery is not qualitatively different from Africa's relations with the West since the inception of the capitalist world-economy. Although mode of surplus extraction and engagement may vary, yet China's engagement with Africa is reminiscent of Africa's relations with rising hegemons of the capitalist world-economy.

The rise of China is part of the cyclical rhythms and within the confines of the capitalist world-economy. Its accumulation drive in Africa and other peripheral regions of the world-economy raises a fundamental question of historical significance: will China become the next hegemonic power of the world-system? The present study directly addresses the role of Africans not only in the development of the capitalist world-economy but also the specific role Africa has played in the making of hegemony in the world system. Understanding the contribution of Africans and Africa to the development and hegemony making in the world-system will help us make sense of the potential role Africa stands to play in the Chinese ascent.

The study is by no means postulating or forecasting that China will automatically replace the US in the future. The East Asian nation is the closest to the US in terms of economy and military might. It is estimated that *ceteris paribus* by the rate of growth of its economy, China will replace the US as the world's largest economy in 2050[7]. Given this estimation, China stands as a credible prospective successor to the declining United States hegemony (Maddison, 2007). It is therefore not the premise of this study that China's ascendancy to hegemony is automatic.

1.2 Objectives of Study and Research Questions

The thesis is about the role of Africa (Sub-Sahara) in the development of the capitalist world-economy with specific emphasis on the specific role of Africa in the making of hegemonic core powers. The research is driven by three different but interrelated questions:

What has been the role of Africa in the development of the world-economy as a whole and what specific contribution has Africa made to the making of hegemony since the inception of the capitalist world-economy? Unraveling the specific contribution of Africans to the

[7] The top five largest economies in the world are likely to be China, India, US, Brazil and Indonesia respectively. See https://www.weforum.org/agenda/2018/02/the-future-global-order-will-be-managed-by-china-and-the-us-get-used-to-it/

making of past hegemonic powers of the world-system will help us understand the role of Africa in China's quest for hegemony.

The second question the study tried to investigate is; what is the role of Africa in general and Ghana in particular in China's hegemonic aspirations in the world-system?

Finally, is China's engagement with Africa akin to Africa's relations with earlier rising powers of the capitalist world-economy?

1.3 Contribution to the Literature

A critical survey of literature on the subject of Sino-Africa relations in mainstream International Relations (IR) reveals a gap in the treatment of issues, which are subject of discussion in this study. Discussion has been limited to the twentieth century events as though history started in the twentieth century. Much of what is happening in the world-economy today is of historical significance. The research critiques this view by drawing on Braudel's concept of *la longue duree* that makes the case for the study of events beyond the short-term[8].

The study contributes to our overall understanding of the China-Africa relations within the context of the modern world-system. The study fills a considerable gap in literature as regards historical bases of China's

[8] Fernand Braudel argues that the only acceptable way of making a social enquiry is by analysing events in the long-term he refers to as the *longue duree*, which is a long lasting and reflected continuing (but not eternal) structural realities.

relations with Africa and the important role Africa stance to play in the hegemonic aspiration of China.

Theoretically, this work contributes to the hegemony discourse in the world-system by examining the critical role of the African periphery to the making of hegemony in the world-system.

The first elaborate study to underscore Africa's contribution to the development of the capitalist world-economy was by Eric Williams, contained in his seminal work, *Capitalism and Slavery* published in 1944. His contribution centered on the role of African slaves and the slave trade in providing the capital, which financed the Industrial Revolution in England. For Williams, "the profits obtained provided one of the main streams of accumulation of capital which financed the Industrial Revolution"(Williams, 1944:52). Eric Williams' emphasis on profits provoked a debate on the contribution of Africans to the Industrial Revolution solely on the subject of profits (Davies, 1960:105-10). His profits claim were contested in the West but what thing that his work managed to achieve was that the subject immediately become an academic issue.

Walter Rodney, in his book *How Europe Underdeveloped Africa* (1972) discussed the broader contribution of Africans and Africa to the development of the capitalist world economy. He argued that, development and underdevelopment have a dialectical relationship and the two help produce each other by interaction: "Africa helped to develop the West in the same way the West helped to underdevelop Africa." (Rodney, 1972:75). Rodney's book ushered in a wave of academic enquiry into the role of the African periphery to the development of the capitalist world-system.

This study complements the numerous efforts at investigating the important role of the African periphery to the development of the capitalist world-economy and hegemony making in particular.

1.4 Case Study Selection

The study tries to make sense of the burgeoning relations between the continent and China (prospective hegemonic power) using Ghana as a case to study. This country-case will help make sense of the specific role of Ghana in China's hegemonic aspirations. Despite Ghana's strategic importance in both political and economic sphere of the continent, the country has received little attention in the scholarly literature.

Ghana provides a useful basis for investigating Africa's role in China's ascent to hegemony in the world-system. First, Ghana has long-standing relations with China, dating back to the 1950s. The first state south of the Sahara to gain political independence from British rule in 1957, Ghana was the third country in African (following the lead of Egypt and Sudan) to start diplomatic relations with China in 1960. Ghana welcomed the support of China in its anti-colonial struggle and supported China in its conflict with India in the 1960s. Most importantly, Ghana moved the motion to re-admit China into the community of nations at the United Nations in the 1960s and campaigned for its readmission through to the early 1970. It was not a coincidence that Kwame Nkrumah's (Ghana's first president) overthrow in 1966 occurred while in Beijing for an official visit.

Reflecting the shift in Sino-Africa relations from a relation based on ideological considerations to one dominated by economic and cultural cooperation, China-Ghana relation has moved beyond diplomatic considerations. China is currently Ghana's largest trading partner edging out the United States, United Kingdom and South Africa[9]. With the discovery of significant deposit of oil in 2007, Ghana has become one of the strategic partners of the East Asian nation in the continent. China has since 2015 remained the main source of FDI to Ghana. Investments from China have since become critical in financing development projects in Ghana. The burgeoning nature of the China-Ghana relations requires a closer examination of China's presence in Ghana and its implication for not only Ghana but also the capitalist world-economy as a whole.

1.5 Methodology

To achieve the intended purpose, the study deployed a qualitative research strategy to empirically investigate Sino-Ghana relations. Qualitative research involves the use of techniques such as interviews, participant observation and focus group interviews that seek to

[9] China is now Ghana's largest trading partner with US$6.68 billion of trade in 2017 and the 7th largest trading partner in Africa. China's registered projects and investments in Ghana rose from 691 in 2014 to 790 by the end of 2017. See remarks by China's outgoing ambassador to Ghana Sun Boahong available at http://gh.china-embassy.org/eng/dszl/dsjh/t1551538.htm

understand the experiences and practices of key respondents to locate them in context. It allows for enquiry into the unknown and provides a framework for understanding a single phenomenon in a deeper and detailed manner.

I draw on two main data sources: the primary source was acquired mainly through semi-structured interviews with individuals from relevant organizations and institutions. This includes officials from the Ministry Finance and Economic Planning in Ghana; Ghana Investment Promotion Council (GIPC); the Embassy of the People's Republic of China in Ghana; Ghana Export Promotion Council (GEPC); the Ministry of Foreign Affairs; Political Parties and Civil Society Groups. Academics, Ghanaian businessmen, Chinese enterprises and some members of the Ghanaian public were also interviewed. The interviews were conducted in 2018 (February-March).

The secondary data sources comprised of journal articles, books, reports, project documents, promotional materials, online news outlets, government documents and reports. Materials from the University of Ghana library and libraries in the United Kingdom were also used.

1.6 Structure of the Thesis

The study is divided into seven chapters, including the introduction. Chapter Two, *"World-Systems Analysis and China's Pursuit of Hegemony"* reviews the literature on Immanuel Wallerstein's World-Systems Analysis (WSA) as the theoretical framework for this study.

The World-systems' approach helps to conceptualise China-Africa relations within the framework of hegemony making in the capitalist world-economy. I also examined the different understanding of the concept of hegemony in IR and why Wallerstein's definition of hegemony fits best for this study. The structural position of China in the world-system as an upwardly mobile semiperipheral state was also analysed.

In Chapter Three, *"Africa and the Hegemonic Powers of the World-System"* I discussed Africa's relations with the capitalist world-economy since its inception in the sixteenth century. The chapter also examined Africa's contribution to the development of the European world-economy and the specific contribution of Africans to the making of the Dutch, the British and the United States hegemony. I argued that, the exploitation of African resources (both human and material) were key to the making of these hegemonic core powers in the capitalist world-economy. The trans-Atlantic commerce was instrumental in this regard.

Chapter Four, *"Hegemony of the West and the Rise of China"* Why the West pulled ahead and attained hegemony in the world-system and China did not, was discussed in great detail. I argued that, the exploitation of resource-endowed non-European peripheries and Africa in particular was critical to the rise of the West. The reason for the rise of China in the twenty-first century as one of the largest economies in the world was discussed. The fundamental question the chapter addressed is whether China was incapable or unwilling to develop through conquest, subordination, and systematical exploitation of its peripheries, as was done by the West. The chapter also discussed

China's tributary system and its relations with the vassal states in the (China-centered tribute trade) as basis for China's growing relations with states in the periphery of the world-economy today and Africa in particular.

Chapter Five, *"China-Africa relations and the World-System"* discussed the historical underpinnings of China's expanding role in Africa over the *longue duree* and the strategies the Chinese have adopted in engaging Africa in recent times. The drivers of China's increasing engagement with Africa were also examined. The response of Africans themselves and the West to China's increasing role in Africa was also analysed.

Chapter Six, *"Ghana and China's pursuit of Hegemony in the World-System"*. To understand Africa's role in China's hegemonic aspirations, it is crucial to understand the nature and scope of a country-specific strategy of China. This chapter discussed the relations between Ghana-China and how the relationship developed in the longue duree and the strategic role of Ghana in the hegemonic aspiration of the Chinese. Specific projects in Ghana funded by Chinese where analyzed on case-by-case basis.

Chapter Seven, "*Conclusions"* summarized the role of Africa in hegemony making in the world-system and analyzed the role of Africa in China's rise and why African resources will be critical to the rise of China to hegemony in the world-system. The chapter also highlighted areas of concern in China's attempt to continue to dominate the economic landscape of Africa and Ghana. Avenue for future studies was also discussed.

CHAPTER 2

WORLD-SYSTEMS ANALYSIS AND CHINA'S PURSUIT OF HEGEMONY

2.1 Introduction

The objective of this study is to investigate the role of Africa in China's pursuit of hegemony and the vital role Africa has played in the rise of states to hegemony in the capitalist world-economy since its inception in the sixteenth century. This can be achieved through a theoretical framework that will serve the purpose of explaining the concept of hegemony in the world-economy and how it has been understood and theorized. This chapter intends to provide: (a) a brief discussion of Immanuel Wallersteins' World-Systems Analysis (WSA) and why it is suitable for investigating the role of Africa in China's pursuit of hegemony; (b) a discussion on different understanding of the concept of hegemony and why the research adopts Wallerstein's definition for this study; and (c) an analysis of China's structural position in the world-system.

2.2 World-Systems Analysis

The modern world-system was limited to parts of Europe and Americas when it first emerged in the sixteenth century (Wallerstein 1974; 1976; 2004). It expanded steadily overtime to encompass the globe in the nineteenth century. The world-system is a world-economy and capitalist. A world-economy because it covers an extensive zone within which there is division of labour with a set of sovereign states operating in an interstate system and capitalist because the system gives primacy to the ceaseless accumulation of capital (Wallerstein 2004:24).

One of the significant components of the world-system is the core/periphery dichotomy- the structural position of states within the world-economy is as a result of unequal exchange-the core states appropriation of economic surplus produced by the periphery. A situation resulting in a binary opposition of core and periphery states. It's impossible to talk about a core state without a periphery and vise-versa. The phenomenon of unequal exchange and the resultant economic inequality between the core and periphery has been one of the defining characteristics of the world-economy since it's inception in the sixteenth century. The intermediate category of states between the core and the periphery called the semiperipheral states are zones of the world-economy where productive activity constitutes an even mix of core-like and periphery-like production. This category plays a balancing role in the world-economy and reduces the level of challenge the periphery levels against the core. Upward or downward mobility in structural position of states in the system is possible; nonetheless, upward mobility is no mean feat.

The capitalist world-economy gives priority to the endless accumulation of capital with a structural axial division of labor between core, semi-periphery and periphery produced due to unequal exchange. The overarching political structure of the system is a set of sovereign states competing in the inter-state system.

The operational mechanism of the inter-state system is a balance of power, intended to prevent any single state from accruing sufficient power enough to convert the world-economy into an empire (Wallerstein, 1984d:38). It must be emphasized however that, there has been repeated attempts throughout history to transform the world-system into a world empire; nonetheless these attempts have been unsuccessful. A single most powerful (hegemonic) state has however dominated the world-system at various times.

Wallerstein's theoretical elucidations haven't gone unchallenged. The two loudest critiques of the World-systems theory, Weberian state-centered Theda Skocpol's (1979) accused Wallerstein of economic determinism, while Marxian-inspired Robert Brenner (1976), probably the most dominant critique of Wallerstein has also accused Wallerstein of overemphasizing the world market while neglecting forces and relations of production.

The choice of one theoretical framework over the other depends largely on what the researcher wants to explain. This study entails analysis of the world-system and interaction of their constituent parts i.e., state actors, non-state actors such as businesses and their interactions transcending state boundaries. Hence, we require a mode of enquiry that focuses on the systemic level of analysis. The world-systems theory proves useful in this case for two main reasons. First, the research aims at investigating the role of Africa in the making of hegemonic power in the world-system with emphasis on the current China-Africa relations. The subject of Sino-Africa relations can only be broadly understood if the world-economy forms the basis of analysis. Any analysis of the Sino-Africa relations, which adopts a single society or a nation-state as the unit of analysis, serves only the purpose of not revealing reality in its entirety. By radically departing away from the paradigm of nation-state as the focus of analysis to the world-system as a whole, we are engaged in an exercise of transcending the boundaries of the nation-state to sub-state and sub-societal levels.

Secondly, this scholarly search demands a thorough analysis of the modern world-system-the capitalist world economy, which demands an approach that looks at history in its totality in the *longue duree*. The approach suited for this project is undoubtedly the world-systems approach.

2.3 The Concept of Hegemony

Hegemony in International Relations literature is a contested notion. When the term is used, it usually invokes different meanings and connotations: When used, it sometimes refers to political and military predominance, others also use it to refer to economic predominance (Goldstein, 1988). George Modelski and R. Thompson's (1988) theory of long cycle of political-military power conceptualised world leadership (they do not use the word hegemony) as the ability of great power to exercise “global reach”. Robert Gilpin (1981), in his *War and Change in World Politics* conceptualised hegemony in terms of relative military power of a state, yet he analysed the “concentration economic innovations, which provide the wherewithal behind superior military advantage”(Chase-Dunn, 1989:170). Organski and Kruger’s Power Transition Theory (PTT) is another variant of the theory of hegemony emphasising on the inevitability of war in any hegemonic transition.

For Wallerstein and the world-system theorists, hegemony in the world-economy refers to a situation where a state achieve an overwhelming superiority over its rivals in the field of economics, military, political and cultural. The base of such supremacy lies in the capacity of firms in that state to conduct their affairs effectively in the areas of agro-industrial production, commerce, and finance” (Wallerstein, 1984d:39).

Supremacy in agro-industrial production means the preponderant amount of industrial produce is located within the state in question and it has the capacity to compete with other states within the world-system. Commercial supremacy implies that the amount of foreign commerce of the state in question is overwhelmingly the utmost when compared to that of its rivals. Supremacy in finance implies that the value of capital both for investment purposes locally or across state boundaries is overwhelmingly highest relative to others, and operates as a banking hub for other core states. Superiority in all these arenas of three agro-industrial production, commerce and finance form the basis of hegemony in the world-system and it’s manifested in economic, military, political, diplomatic and cultural. The advantage in efficiency is so emphatic that enterprises not only outsell other enterprises in the open market but also within the domestic market of rivals as well.

These advantages are often fragile and hegemony in the world-system is an exceptional feat to attain and it's unstable. The precariousness of hegemony is mainly due to two factors. First, core and semi-peripheral states in particular improve their production techniques in a way to produce as efficiently as the hegemonic power. Secondly, the productive efficiency of the hegemonic power deteriorates with time and it becomes susceptible to wage demand leading to an increase in production cost. There have been several attempts by states to attain hegemony in the world-system since its inception and so far three states have succeeded for relatively short time: the Dutch in the seventeenth century; the British in the nineteenth century; and the United States in the twentieth century (Wallerstein, 1984d: 40).

In each of these three instances, hegemonic powers have exhibited certain characteristics, which are analogous. First, the sequence of achievement and relative lost of supremacy in all the three economic domains. The deterioration in efficiency first begins with agro-industrial production, then to commerce and to finance- the same sequence the edge was gained (Wallerstein, 1984d: 40). The Dutch were the leading producers of agricultural produce and had competitive advantage evinced in fisheries and in herrings in particular capturing the greater share of the market in Baltic and the growing commerce in the Atlantic (Chase-Dunn, 1989:181). The Dutch were also at the same time the leading producers of industrial products. Industrial advancement was first achieved in textile production and later in shipbuilding. The two combined enabled merchants in the United

Provinces of the Netherlands to outcompete their rivals in Europe (Wallerstein, 1980:40). The productive and commercial might of the Dutch formed the basis for sound public finance allowing Amsterdam to be come the center of international payment system and money market in the seventeenth century.

The United Kingdom's rise to hegemony in the nineteenth century followed a pattern reminiscent of the Dutch in the seventeenth century: efficiency in the production of cotton textile, replaced by the machinery exports, steamships and railways and the increasing importance of London as the center of world financial services. Production of cotton for export was crucial to the rise of the US to hegemony. Slave produced cotton and textile enabled the US to achieve efficiency in agro-industrial production. The production of mass consumption goods such as electrical appliances and automobile became important for the US and New York increasingly became important in the money market. Their decline exhibited similar pattern as their rise (lost of efficiency followed the same order; agro-industrial production, to commerce and to finance).

Second, in all the three instances of hegemony, hegemonic powers were the most preponderant in terms of military powers (sea/air) and hegemony was achieved through a thirty-year land-based World War, involving the dominant states of the era. Wars are ubiquitous phenomenon in the world-system but World Wars are rare and each time they have happened have coincided with the rise of a state to hegemony in the world-system (Wallerstein 1984d: 43).

Third, all the three hegemonic powers were semiperipheral states before their hegemonic ascent (Chase-Dunn 1997:94). The United Provinces was a wetland made of sad and mud dump with seemingly ineffectual state machinery before achieving core status in the seventeenth century. Britain was effectively an exporter of raw materials to manufacturing cities in Europe. Its aggressive policies to gain control of trade and support import substitution at home combined with colonialism and raids of Spanish galleons by state-sanctioned privateers led to the emergence of England as a core state in the eighteenth century and its subsequent hegemony in the nineteenth century. The US was a peripheral state in the eighteenth century and a semiperipheral state in the early nineteenth century: production in the US was an even mix of core activities in the North and peripheral activities in the South before it achieved core status in 1880s and hegemony after the second World War.

Fourth, hegemonic powers during their prime tended to be promoters of "free trade". The free flow of factors of production in the world-economy is one feature every hegemonic power has sought to defend and protect. This brand of liberalism was extended to the arena of politics through generalized support for liberal democratic institutions and the aversion of abuse of state power and civil liberties (Wallerstein 1980d:41). Nonetheless, defending this principle comes not without a caveat: hegemonic powers regularly make exceptions to their anti-mercantilism if it's in their interest to do so.

The ideology of free trade was supported and propagated by the Dutch intelligentsia at the peak of its hegemony (Chase-Dunn 1989:180). Nineteenth century United Kingdom acted as the guardian of free trade during its period of hegemony. The US in the twentieth century ensured the propagation of the ideology of free trade and in fact instituted it as a requirement in it dealings with other states.

The rise and decline of hegemonic powers is a central functioning mechanism of capitalism as a mode of accumulation. Capitalism has been characterized by two myths; non-interference of state in the market and ensuring that factors of production move freely across the frontiers of states without restriction. On the contrary, capitalism is characterized by selected interference of states in the market and a partial free movement of factors of production across state frontiers. In fact, the selective interference of state machinery and competitive advantage in production are an indispensable ingredient towards the attainment of hegemony in the interstate system (Wallerstein 1984d: 43-44).

While the three hegemons of the capitalist world-economy have exhibited some common traits during their prime as hegemonic powers of the world-system yet, the three hegemons are not the same. No hegemon can be equated to the other. Their period of hegemony differs: some achieve hegemony for relatively short time and lose their hegemonic status. Others achieve hegemony and maintain it for relatively longer period. The length of the US hegemony is the shortest, lasting from 1945 to 1970. The longest so far is the United Provinces of the Netherlands between 1620-1650 (Wallerstein 1984d:40). The lost of hegemony by no means mean a lost in core status or plunge into the periphery. The precariousness of hegemony is mainly due to two factors. First, rival core states and to some extend some semiperipheral states improve their production apparatus such that they produce efficiently as the hegemonic power-thus the hegemonic power lose their relative hegemony because others gain. The second reason is that the hegemonic power's productive efficiency deteriorates (Hopkins and Wallerstein 1982:63).

2.4 China in the World-System

One of the fascinating developments of the twenty-first century so far is the rise of China as one of the key players in the world-economy. China accounts for 12 percent of global output, making it the second largest economy in the world. China accounted for 60 percent of the world's export growth in 2002 and in terms of finance, China is now a major source of finance for the current account deficit of the US. China's go-out strategy has also earned it a number of admirers globally and in Africa and Latin America in particular. In Africa, China is now the largest trading partner, providing the needed infrastructural demand for the continent's energy and minerals.

These overwhelming statistics about China's contribution to the world-economy raises two critical questions of historical importance. One, the economic growth experienced within the last three decades indicates that China's productive efficiency is on the ascendency which raises a question about China's structural position in the world-economy and how others within the periphery or the semi-periphery be affected. Secondly, the "American Century" characterized the 20th century of United States hegemonic epoch. Will the 21st century be characterized as the Chinese Century? In other words, will China emulate the US to become the next hegemonic power in the world system?

Wallerstein (1979:100) accorded China a membership of the semi-peripheral group of states. He provided two criteria in identifying a state as semi-peripheral. One, semiperipheral states are at the intermediate levels both in terms of their profit margins and wage structure. Secondly, semiperipheral states turn to have greater control of both their domestic and foreign markets (1979:71,72). But these two criteria by Wallerstein obscure rather than they illuminate. Arrighi and Drangel (1986) used of Gross National Product GNP per capita to measure the extend to which a state semiperipheral. Their study confirmed the persistence of Wallerstein's stratification of the core/semiperiphery/periphery. Other studies by Grell-Brisk using the Gross National Income GNI confirmed the trimodal structure of the capitalist world-economy and accorded China the status of a semiperipheral state[10].

China today is an upwardly mobile semiperiphery state (Chase-Dunn 1998:241). Its relation with the periphery and other members of the semiperiphery has implications for the principle of unequal exchange in the world-economy. A sizeable number of these peripheral states are African states, which in recent times have courted the attention of the Chinese. China's burgeoning relations with the region has been under the spotlight and has been scrutinized within the academia and the public policy cycle. China's engagement with Sub-Sahara Africa is one based on the principle of equality, mutual benefit and post-colonial solidarity.

[10] Grell-Brisk, Marilyn, China and Global Economic Stratification in an Interdependent World (September 2017). Palgrave Communications, Vol. 3, 2017. AvailableatSSRN: https://ssrn.com/abstract=3031176 or http://dx.doi.org/10.1057/palcomms.2017.87

Whether China will emerge as the hegemonic power in the world-system in the twenty-first century or not depends largely on the survival or otherwise of the world-economy. Just like any other system, the capitalist world-economy has a lifespan and cannot be eternal. The reason for its eventual demise is based on the operation of both cyclical rhythms and secular trends[11]. This means the world-system goes through a process of expansion and contraction within every 50-60 years called Kondratieff cycles. Once contraction take place, the systems do not return to exactly where they were before. They rather assume somewhat a higher point. These curves assume an upward trend in the long run called the secular trends. The cyclical curves in the long run cease to utilize the orthodox means of resolving the strains in the functioning of the system leading to a structural crisis of the system[12].

Wallerstein observes a "bifurcation between two alternative modes of resolving the crisis- replacing the dying system with new system that preserves the essentials of the dying system and one that transforms it radically"[13]. Thus, a choice between a new system that is non-capitalist but maintains some essential features of capitalism and the other option is establishing an egalitarian system that is relatively

[11] See Immanuel Wallerstein, *What about China? Commentary No. 460, November 1,* 2017 available https://www.iwallerstein.com/what-about-china/ accessed November 2018

[12] See Immanuel Wallerstein, *What about China? Commentary No. 460, November 1,* 2017 available https://www.iwallerstein.com/what-about-china/ accessed November 2018

[13] Ibid

democratic. The world-system is at this phase and China's rise is inextricably linked to it. This period is marked by a long period of stagnation where profitability drops significantly. At this point, surplus value in the system is not increasing and capitalists don't find capitalism rewarding. The consequences of which is the movement of capital from production to finance, increased worldwide unemployment and a significant shifts of production from the core to the semiperiphery and the periphery[14]. A wave of production shift to China since the 1970s from Europe and North America is part of this process.

China's dominance in Africa's economic landscape should not come as surprise given the role of upwardly mobile semiperipheral states in the world-system. Semiperipheral states serve the dual purpose of acting as core states for some peripheral states and peripheral zones for core states during period of stagnation in the world-economy (Wallerstein, 1976:463). Their ability to take advantage of the stagnation of the world-economy is far greater than the opportunities available to states in either the periphery or core zone (Wallerstein, 1976:464). Thus, these group of intermediate states turn to extract more economic surplus from the periphery at the expense of those at the core. In concrete terms, China is able to extract more economic surplus from the periphery and Africa in particular by virtue of its geographical position as an upwardly mobile semiperipheral state. Semiperipheral states also turn to have more control over their domestic markets and

[14] Immanuel Wallerstein, *China and the World System since* 1945. Held on November 18, 2013 at the Henry Luce Hall auditorium at Yale University available on https://www.youtube.com/watch?v=uQV0w11vVO8

increased access to other markets of peripheral states (Wallerstein, 1976:464; Tayfur 2003:18).

To argue that China will replace US as the hegemonic power of the capitalist world-economy invalidates the premise that all systems are not eternal. For Wallerstein, it is not possible for China to stop the demise of the capitalist world-economy. The best China could do is to probably secure its future in a future world-system[15].

Predicting what China would eventually become is thus far inconceivable. A hegemonic power of the world-capitalist economy? A multipolar world with China as one of the major powers? Or a completely new world-system in the future? What is certain for now is that China is growing. It is estimated that *ceteris paribus* by the rate of growth of its economy, China is on course to be the biggest economy in the world in 2050 and it's increasingly expanding its sphere of influence in Africa (Maddison, 2007). Given this estimation, China stands as a credible prospective successor to the US hegemony. It's only proper its engagement with Africa is analyzed within the framework of the rise of a hegemonic power and its relations with the periphery in the world-system.

In the chapter that follows, I discuss the three cases of hegemony the capitalist world-economy has witnessed so far and the specific role Africa has played in each of the cases. This will help in making sense of the China-Africa story in contemporary times.

[15] See Immanuel Wallerstein, *What about China? Commentary No. 460, November 1,* 2017 available at https://www.iwallerstein.com/what-about-china/ accessed November 2018

CHAPTER 3

AFRICA AND THE THREE HEGEMONIC POWERS OF THE WORLD-SYSTEM

3.1 Introduction

I discussed Wallerstein's World-System Analysis in the previous chapter as the theoretical framework of this study and adopted his definition of hegemony as central to this study. I also tried to locate the structural position of China within the capitalist world-economy: China is an upwardly mobile semiperipheral state.

The aim of this part of the thesis is to investigate Africa's role in the making of hegemonic core powers in the capitalist world-economy since the sixteenth century. Unravelling Africa's contribution to the capitalist world-economy and to hegemony making in particular in the *longue duree* will help us understand Africa's role in China's rise in the world-economy in contemporary times.

States have seen a rise and fall in their international status. Some prevailed and have even become hegemons of the day. The Dutch in the seventeenth century, British in the nineteenth century and United States in the twentieth century are the three cases of hegemony the modern world-system has witnessed so far. Africa's relation with these hegemons is one of the uncharted territories of the hegemonic sequence/transition literature.

3.2 Africa and the Capitalist World-Economy: An Overview

Africa's only contact with the outside world was through the trans-Sahara trade with Mediterranean civilization dating back to the first millennium BC 800-1000 BC. The trans-Sahara trade enabled the Mediterranean, Europeans and the Arabs purchase West African gold until the discovery of America (Amin: 1972:509). Goods such as pepper, gum, salt, shea butter, and little ivory were also traded; nonetheless, the most important commodity in the trade was gold. Traders also carried some black slaves for sale in North Africa. The early trade in gold firmly integrated Sub-Sahara Africa into the Euro-Asian world-system via the Mediterranean (Abu-Lughod, 1989).

For African societies, the trans-Sahara trade with the outside world became the basis of their social organization in that it provided the ruling classes the means of obtaining rare goods such as salt, perfumes and drugs across the Sahara. Samir Amin (1972) emphasized the egalitarian nature of the trans-Sahara trade and the autonomous character of African societies in this era he characterized as "pre-mercantilist".

The eventual opening of the Atlantic pioneered by the activities of the Portuguese led to the creation of the slave dominated Atlantic commerce. Black slaves from Africa were vital to the functioning of the Atlantic economy, which in turn was fundamental to the making of the European world-economy (Wallerstein 1974:89). Thus, Sub-Sahara Africa and West Africa in particular has always been associated with the development of the European world-economy. In fact, the emergence, growth and development of the European world-economy cannot be adequately understood without any reference to Black Africa.

Why did African slaves in the "mercantilist period" (1600-1800) play such a big role in the development of the European world-economy? Black slaves were attractive not because slave labor was inherently cheap but because they had no opportunity cost (Wallerstein 1973:7-8). Indigenous source of labor supply to the European world-economy was exhausted necessitating an alternative source of supply with close proximity to the region of usage. Above all, the source should be outside the European world-economy so that Europe will not be economically affected by the economic impact of the large-scale removal of manpower as slaves (Wallerstein 1974:89). For Wallerstein three factors determine which trade qualifies to be either within the European world-economy or its external arena: trade within the world-economy is trade in necessities the world-system cannot survive without, trade within the world-economy weakens indigenous commercial bourgeoisie in a peripheral state, which in turn weakens state structures in a peripherial state (1973:7). In Wallerstein's view, West Africa in the sixteenth century was an external arena of the world-economy.

Wallerstein’s dichotomization of external arena and periphery of the European world-economy on the basis of trade in essentials is too simplistic. During the period when slave exports were rising (1626-1700), West Africa's gold exports-as crucial an item as any in the world-economy at that time-were worth more than the export of slaves. Even the Royal Africa Company got forty percent of its income from the sale of African products other than slaves. (Curtin 1969:266). In Wallerstein’s account, the Americas were peripheral zones of the world-economy in the seventeenth century due to the production of gold and silver which were critical to the functioning of the world-economy (Wallerstein 1974:109). Why not West Africa, whose gold production was indispensable to the European world-economy before the discovery of gold in the Americas. In fact, slave trade was comparatively unimportant during the first 200 years of European contact with Africa -roughly between 1450-1650.

The Portuguese went to Africa in search of gold not slaves. The Portuguese found large deposits of gold in parts of West Africa and it was the Gold Coast, which proved to be the mecca of European merchant activities in the sixteenth and seventeenth centuries (Rodney 1972:77). The availability of slaves for sale was a fortuitous and unexpected byproduct of the gold trade (Curtin 1990: 43). The transatlantic slave trade may have been Black Africa’s greatest contribution to the development of the European world economy; nonetheless, it was West African gold, which dominated European world-economy’s interaction with Africa before the discovery of

Americas. To treat West Africa, as an external zone of the European world-economy is to underestimate the vital role gold from West Africa played in monetization of the European world-economy of which the Portuguese and Dutch benefitted from.

West Africa's incorporation into the capitalist world-economy intensified circa 1750-60. A period marked by the end of the mercantilist conflict between England, Netherlands and France and the beginning of the industrial revolution in England which would have momentous consequence on West Africa. The industrial revolution led to increased demand for cotton and sugar production worldwide, leading to an overwhelming increase in demand for West African slaves to keep up with the growth of the industry. Black Africa became the main source of labor supply for plantations in America. During this period, Africa began to be shaped by the foreign interests thereby losing its autonomy (Amin 1972:511). By 1815, new scale of European production meant a worldwide search for market sales and purchases. This facilitated the systematic incorporation of the Middle East, Asia and Africa into the capitalist system as peripheries (Wallerstein 1973:9). The slave trade disappeared in 1807 signifying the end of the mercantilist era. Capitalism took its complete form: from merchant sectors to industrial sectors (Amin 1972:516).

It was at this stage that Sub-Sahara Africa was reduced to the function of producing cheap raw materials and agricultural produce for export based on three models of colonization: (i) incorporation of small holder farmers into producing tropical products for low pay; (ii) the mining-based economy of southern Africa, which depended on cheap forced labor inadequate to sustain traditional self-subsistence; and (iii) "the pillage economy through which concessionary companies raked off a share of the crop without paying anything in return, where local conditions did not permit "trading" and the level of mineral wealth did not justify organizing "reservations" to supply large quantities of cheap labor" (Amin, 2006:93). The practice has been same everywhere regardless of colonial masters.

Nonetheless, different variants of colonial exploitation systems were developed by the British, the French and the Portuguese. While the French largely adopted a direct system of colonial rule, for the British, indirect rule was the most efficient mode in that it is only Africans who could easily get Africans to increase their productivity (Wallerstein, 1973:9). The post-Second World War economic expansion also expanded the movement of economic surplus from African states to core states (Wallerstein 1973:9). The fact that the US, Soviet Union and West Germany wanted access to the African periphery was largely a consideration that facilitated decolonization of the continent in the 1950s and 1960s. Independence era in the 1960s and 1970s brought no significant change to this mode of integrating Africa in the world capitalist system. The newly independent countries made a giant step towards industrialization in the post-colonial period with limited success in a period marked by US hegemonism in the world-system.

Africa today is part of the world capitalist system with single division of labor. Its contemporary engagement with China in the world-system cannot be adequately understood without understanding the role it played in the emergence and development of the European world-economy in the past and how it related to hegemonic powers of the world-system in the *longue duree*.

3.3 The Dutch Hegemony and Africa

The ‘Dutch Republic’ or United Provinces is one of the three hegemonic powers of the modern world-system. The United Provinces was the first hegemonic power to emerge in the seventeenth century after Charles V’s unsuccessful attempt to turn the world-system into a world-empire. United Provinces has been characterised as the “least plausible” or a “pale shadow” of what a hegemonic power should look like primarily due to the strength of its military-the least of its time (Wallerstein 1980:38).

What we mean by hegemony is marked superiority in agro-industrial production, commerce, and finance (Wallerstein 1980:39). The Dutch achieved this feat between 1625 and 1675 and was by far the most efficient producer and manifested itself simultaneously in the arena of commercial, and financial superiority over all other core powers.

The Dutch achieved supremacy through productive efficiency in fisheries particularly salted herring. The origin of this efficiency is to be found in the invention of a large multipurpose boat with space enough on board for preparing, salting and packing herrings. The invention of this facility enabled the Dutch to stay away from their shores for weeks (Wallerstein 1980:39). Large numbers of these boats enabled the Dutch to compete with their English counterparts in England in the herring industry. Trade in salted and smoked herring 'the Dutch Gold Mine' in the sixteenth century (Braudel 1984:189). The trade in herring laid the foundation for trade in salt and the two trades become the "true source" of Dutch wealth. The control of the Baltic trade was exactly the reason for the development of Dutch shipbuilding.

Efficiency in the fishing industry was matched with equal superiority in agriculture. The Dutch transformed a land virtually "floating in water" not suitable for cultivation of any agricultural crop to one fit for the production of industrial crops and most importantly the production of dyes, of which, the Dutch had few competitors in the sixteenth and seventeenth centuries.

The Dutch were not only the leading agricultural producers of the time but also at the same time the leading producer of industrial products. If Baltic trade was the "mother trade of the Dutch", then Dutch efficiency in shipbuilding made it possible. Dutch Shipbuilding in the sixteenth and seventeenth century was of modern dimensions, highly mechanized and technologically driven. One major source of timber for shipbuilding was the Baltic and the Dutch were able to build ships cheaper than anyone else (Braudel 1984:206).

The second industry the Dutch dominated was the textile industry, one of the greatest of modern times. The United Provinces took a superior lead in textiles and shipbuilding, the two major industries of the era, and played a major, sometimes dominant, role in other industries as well. (Wallerstein 1980:98). Certainly, the Dutch were not in the position to achieve the sort of general preponderance in the industrial arena that the British attained in the eighteenth century. Particularly, the Dutch textile industrial output never matched the level reached by France or England in the seventeenth century. Nonetheless, the Dutch came close to matching their rivals in some key sectors of textile production, which had a particular significance for international trade (Israel 1989:115). Once the United Province had achieved efficiency in productive and commerce, efficiency in finance was only logical. Amsterdam became the financial hub of the capitalist world-economy in the seventeenth century. The supremacy of the Dutch in production and commerce in the world-economy created the space for a sound public finance that depended largely on worldwide commercial network making Amsterdam the locus of the international payments system and money market. The control over international money market allowed the export of Dutch capital that brought in remittances, which enabled the Dutch to live off productive surplus far beyond what they created themselves, and for long after the epoch of their own major productive contributions (Wallerstien 1980:57).

Can it be though, that the Dutch rise to hegemony is only attributable to trade in semiperipheral Europe? While Wallerstein acknowledges the impressive nature of the Dutch voyage to the East Indies, Mediterranean, Africa and the Caribbean in the seventeenth century, yet these trade and commercial expansions were not the most important and did not account for Dutch hegemony (Wallerstein 1980:46-49). For Wallerstein, Dutch trade in East Indies, the Levant, and even the Christian Mediterranean and the Atlantic trade-were important, to be sure; but they were secondary. The key to Dutch commercial hegemony in the European world-economy from the 1620s (perhaps already from the 1590s) to the 1660s "remained the ancient trade between northern and western Europe" (Wallerstein 1980:54).

Wallerstein may have exaggerated the importance of the Baltic trade to the making of the Dutch hegemony. It may be true that some factors (i.e. freights, salt, herring trade), which subsequently contributed in molding the Dutch mastery in trade, were already evident in the 1580s long before their overseas expansion. The dominance of the Dutch in trade in Europe was a precondition for Dutch supremacy; nonetheless, its commercial expansion globally was a catalyst in this process-"the Baltic trade was just a piece in the Dutch jigsaw", the East Indies was another and so was West Indies and West Africa-as Braudel succinctly puts it "The first condition for Dutch greatness was Europe. The second was the world"(1984:207). But, if the Dutch hegemony was wholly dependent on the Baltic trade and fishing in particular, as Wallerstein asserts, lost of the value of fisheries after Cromwell's Navigation Act in the first Anglo-Dutch war (1652-54) would have collapsed the Dutch economy and subsequently obliterated the Dutch hegemony. On the contrary, the Dutch hegemony survived for the next two decades or so.

The contribution of overseas commerce to the making of the Dutch hegemony should not be underestimated. Dutch primacy in world trade and hegemony was achieved through a unique blend of political intervention and business efficiency shaped by consortia of local and national companies with political links (Israel 1989:70). The state was instrumental in this regard. The Dutch state created an environment favorable for private enterprise to flourish and defended the interest of its entrepreneurs. Political and economic power in the Dutch state could not be separated. The Bank of Amsterdam, WIC (West Indies Company) and the VOC (East India Company) could not be separated from the state. In fact, they acted as the state (Israel 1989:70-71).

Dutch commercial expansion outside Europe commenced in the 1580s when the Spanish halted the supply of salt, an important ingredient in the processing of herring and the Dutch were forced to look elsewhere. This expedition took the Dutch “everywhere”. The best place they could find was Punta de Araya in present day Venezuela in the Americas (Curtin 1990:90). The area became the major source of salt for the Dutch in the early seventeenth century with 120 shipments annually. Similar expeditions by the Dutch saw them sail the Indian Ocean and some parts of West Africa.

One singular act that has come to define Dutch overseas expansion is the creation of a charter company (the Dutch East Indies Company)(VOC) in 1602 on the initiative of the States-General. This initiative meant that Dutch ships in Asia would now voyage under control of the VOC “linked together in a coherent system based on the combination of efficient shipping links, credit and advanced payments together with systematic prospecting for potential monopolies” (Braudel, 1984:218).

The half-government and half-business organization ushered in a new era of European overseas expansion. Their activities and conducts constituted the foreign policy of the Dutch state. The VOC and the Dutch West Indies Company (WIC) epitomized European conquest and overseas expansion in the seventeenth century. The VOC “was to conduct itself as an independent power, a state within a state” (Braudel

1984:213)-with the rights to enter treaty with foreign states and undertake military actions when necessary. For close to two centuries, the Dutch were the most single traders in Asia dominating trade and the VOC had a virtual monopoly in the marketing of assorted goods. With more than 40,000 personnel, the Company built its own ships, the largest vessels floating at the time (Braudel 1984:218). The demand for manpower was so high that the company attracted migrates from Scandinavia and Germany.

Regardless of the challenges these charter companies faced during their existence, their role in Europe's overseas expansion and endless accumulation of capital is often underestimated. The VOC was the greatest company in the world throughout the seventeenth century with factories in Java, Sumatra, Borneo, Malay Peninsula, and the mainland of India competing against the Iberian Company. Without the cash flow from the trading activities of the VOC in Asia, Amsterdam may never have become the Amsterdam it came to be known (Braudel 1984:224).

But what specific contribution did the Atlantic (West African) trade play in the making of the Dutch hegemony? African resources both material and human have been instrumental not only to the development of the European world-economy but also to the ascent of the Dutch to hegemony. The Dutch may have sailed to West Africa in search of sugar but it was the availability of gold, which made them actively involved in the Gold Coast economy (Present day Ghana). The scramble for African gold drove the Dutch to break the monopoly of the Portuguese in the Gold Coast economy and dislodge them from their stronghold of St. George d'Elmina. The Dutch finally charted a West

India Company (WIC) in 1621 to match the VOC already active in the Indian Ocean; its charter included not only the West Indies and New Amsterdam but also the West African coast.

The WIC took over the gold trade and dislodged the Portuguese from their fortresses in Mina, Axim, Shama, and Arguin between 1630s and 1640s. Gold imports from West Africa to the Republic more than doubled during this period and remained a key import of the Dutch in the 1630s, 1640s and 1660s (Da Silva, 2011:248). In fact, almost all the gold coins minted in the Netherlands in 1621 were produced from Guinea (West Africa) gold (Feinburg, 1989:31). West African market also provided stimuli to different industries in the United Provinces. Various manufactured goods such as textiles (linen, blankets, broadcloth, and serges) and metal utensils were exported to West Africa. Estimates has it that in 1610s each ship carried 200,000 ells of linen, 40,000 pounds of copper work, and about 100,000 pounds in a variety of other products to West Africa (Postma and Enthoven: 2003:39).

The adventure of WIC in the Atlantic was not as glamorous as the VOC in Southeast Asia. Nonetheless, the WIC played a vital role, though a continually declining one, in the commercial and political history of the Atlantic. During the first few decades of its existence, the WIC appeared to have met its stated objectives well. The WIC dominated the African trade and established many trading posts and settlement centers in the Caribbean and the Guiana coast. The dramatic capture of Spanish fleet in 1628 and the conquest of northeastern Brazil in 1630 stand high on the list of its achievements. The WIC could not sustain this initial momentum due to substantial lost of income from its privateering activities in the Atlantic after the Westphalia peace treaty between Spain and the United Province was signed in 1648 (Postma 1990:14-15). The company relied on government subsidies for most part of the mid-seventeenth century and subsequently faced bankruptcy. The company was restructured and recapitalized in 1674 through state intervention.

The WIC was crucial in the Dutch Atlantic particularly in the participation of the Dutch in slave trade. The company did not only have monopoly over the trade in the Atlantic, but also participated in the trade after its monopoly came to an end in 1730. It must be said that the WIC developed interest in slave trade after the acquisition of northern Brazil in 1630 to supply slave labor to work on sugar plantation.

The WIC initiated a race among European states to form exclusive overseas commercial empires. Soon after the institutionalization of the European balance of power by the Treaties of Westphalia in 1648, the race assumed a new dimension with the British and the French leading the way. The Atlantic soon became and remained throughout the eighteenth century the main arena of competitive struggles engendered by this race. The British became the dominant force in the Atlantic commerce and gained substantial wealth (Arrighi et al 1999: 20-21).

Compared to the route to Asia or to the Mediterranean via Gibraltar, the Atlantic receives far less attention than the other major trading routes but ironically, it was the most important during the early years of Dutch overseas expansion. Based on the number of ships deployed on these routes, until 1620 the Asian commerce recorded an average of ten ships departing annually. The Mediterranean route recorded an average of nineteen, sixty-six and fifty-six during the periods 1591-

1600, 1601-1610, and 1611-1620 respectively (Postma and Enthoven: 2003:39). The Atlantic route displayed an average of eighty Dutch ships a year in the same period, far greater activity than the Asia trade even before the "golden age" of the salt trade to Punta de Araya, where an average of 121 ships sailed annually. The reason for the prominence of the Asia trade is largely due to the larger size of VOC ships compared to the other routes, hence the capacity of their cargo were much larger and more valuable. But the large size of their cargo capacity did not have any significance in terms of value of trade in the first few decades of Dutch overseas commerce. The value of Dutch trade from the Mediterranean was estimated at 4 million guilders in 1611, the same value recorded by VOC in Asia. During the same period, Dutch activities in the Atlantic region averaged between 4-7.5 million guilders per year (Postma and Enthoven: 2003:47).

While the VOC activities in Asia has been glamorous and instrumental in making the Dutch supreme in overseas trading and commerce in the late seventeenth century onwards, the Dutch Atlantic was by far the most valuable of all the commercial routes in the late sixteenth and early seventeenth century (Postma and Enthoven: 2003:47). Without West African gold and slaves, the Dutch Atlantic expedition would have been valueless.

3.4 The British Hegemony and Africa

Britain became truly hegemonic in the world system between 1815-1873 consolidating its hegemonic status by strategically acquiring maritime bases around the globe (Wallerstein 1989:122). The United Kingdom was the first territorialist state to incorporate within its domain so vast and populous territories in the nineteenth century (Arrighi 1990:392). In the same vein, no territorialist state or ruler has ever coercively obtained within a short a time so much tribute –natural resources, labor power and in means of payments as the British did in the nineteenth century (Arrighi 1990:392).

Britain achieved supremacy in all the three arenas of agro-production, commerce and finance- efficiency in cotton textile production was achieved first, replaced by machinery and steamships and London increasingly became the financial center of the world in the nineteenth century (Hobsbawn 1968). Its hegemonic status had its origins in the industrial revolution; a period of unprecedented dominance in economic growth and development and this can only be explicated through a worldwide survey; it's wealth abroad lay in its foundation as trading nation, providing the British economy access to all parts of the world's trading area (Braudel 1984:254).

Britain's role as the center of world commerce and finance can be traced to its dominance in colonial and long-distance trade in the eighteenth and early nineteenth centuries- approximately a third of world's exports went to Britain in 1848 (Arrighi et al 1999:43-44). Its policy of free trade enabled Britain to expand and consolidate its position as the center of finance and commerce.

This process went beyond the procurement of British manufacturers. Raw material imports to Britain also played an instrumental role. In particular, the falling cost of imported raw cotton was as vital as new forms of technology in reducing production costs in the textile industry in the eighteenth and early nineteenth century. Similarly, English shipping industry, all of which became major income earners in the nineteenth century and beyond, was a product of the expanding long-distance trade (Wallerstein 1989:225).

If long-distance trade was vital to industrializing Britain and subsequent attainment of global hegemony, what then was the role of West Africa in this process? West Africa and the Atlantic by extension was by far the most important trading center in the world in the eighteenth and nineteenth century. Eric Williams in his *Capitalism and Slavery (1944)* indicates that Atlantic commerce and West Africa for that matter has contributed to the rise of England and that the triangular trade, gave a triple stimulus to British industry. According to him,

> The Negro(s) were purchased with British manufactures; transported to the plantations, they produced sugar, cotton, indigo, molasses and other tropical products, the processing of which created new industries in England; while the maintenance of the Negroes and their owners on the plantations provided another market for British industry, New England agriculture and the New Found land fisheries. By 1750 there was hardly a trading or a manufacturing town in England, which was not in some way connected with the triangular or direct colonial trade. The profits obtained provided one of the main streams of that accumulation of capital in England, which financed the Industrial Revolution (Williams, 1944:58).

This process involved the sale of British manufactures to West Africans for African slaves. These slaves were then shipped to work in plantations in West Indies producing cotton and sugar. These products were then shipped to England and sold in exchange for British manufactures and services. This process of exchange clearly demonstrates how slavery and the Atlantic economy aided the growth of industrial capital in Britain (Blackburn 1997:572). Thus shipment of West African slaves between 1650-1807 to Britain and the America were major contributors to the development of Britain's Atlantic commerce. The rise of important cities in Europe such as Liverpool, Bristol, Sevillle, Nantes was due to their involvement in the African slave trade. Directly or indirectly, these cities were connected to the ports and served as manufacturing centers, which spearheaded the industrial revolution (Rodney 1974:89).

It is not clear how much slave trading was involved in the activities of the British along the coast of West Africa in the sixteenth and early seventeenth century. The widely known early British slave trading ventures in West Africa are those of John Hawkins in 1562, 1564 and 1567. Early British companies in West Africa seem to have placed more emphasis on the trade in gold, ivory and pepper. The British did not become active in the slave trading till early 1620s. The Dutch were greater slave traders than the British in the early years of the trade. Brazil rather than British America was the main destination for the slaves acquired by the Dutch (Inikori, 2002:58). The British however became active in the slave trade in the eighteenth and nineteenth centuries and the bulk of the trade was carried through the charter companies. The preponderant number of these companies established between sixteenth and nineteenth century exemplified British quest for success in commerce and monopoly trade.

The Guinea Company established in 1585 was one of the first of British attempt to monopolise trade on the cost of Africa. With little success, the company was replaced by the Company of Royal Adventurers Trading in Africa, which held monopoly rights over British African trade between 1662-1671 dedicated to the slave trade (Inikori, 2002:219). Incorporated in 1662, the Company soon established several trading posts on the West coast of Africa for the purposes of slave trading and transport. These trading posts were soon to be lost to the Dutch with the exception of Cape Coast Castle. These setbacks hastened the demise of the Company and ushered in the most successful company in the Atlantic history of the British, the Royal African Company in 1672 (Inikori, 2002:219).

The Royal African Company retained the charter for the official English trade on the coast until 1751, but by 1710 it was bankrupt and moribund. Though the company was granted with monopoly and exclusive rights to British commerce along the cost of Africa, it faced remarkable competition by interlopers until its demise in 1710, yet the Company achieved a remarkable feat in the Atlantic. The archival records of the Company revealed that, from early 1660s the English carried more slaves than all other Europeans put together (Eltis, 1994:241). Private merchants' activities along the Atlantic coast of Africa have undoubtedly contributed to the success of the English in the Atlantic, but without the enormous role played by the charter companies, the English Atlantic history may have assumed a different trajectory, given the sort of rivalry and open competition from the French, Portuguese and the Dutch.

The importance of the Atlantic trade to the growth and development process in Britain constitutes Africa's genuine contribution to the industrial revolution and Britain's subsequent hegemony in the world-system. The labor of African slaves made it possible for large-scale commodity production for Atlantic commerce in the Americas and also made possible the expansion of European consumption of these products. To disregard this is to deny the role of West Indies in the development of capitalism in Europe and Britain in particular. For the Atlantic commerce occupies a central place in any explanation of Western leadership in the world-system.

3.5 The US Hegemony and Africa

The struggle to succeed the declining British hegemony started in 1873 when the world was in recession (Wallerstein, 2003:13). The US and Germany were engulfed in a protracted 80-year struggle to determine the successor of the declining Britain. The culminating phase of this struggle was a destructive thirty-year war (1914-1945) involving all the industrial powers of the world system (Wallerstein, 1989: 207). The United States was the only power to come out of the conflict without a significant damage to its economy. In fact, it was emboldened by the wartime expansion of its industrial efficiency. The support of its allies, USSR and Britain in particular whose economies have been ravaged by war was indispensable to the victory of the US. Europe and Asian economies were devastated and faced acute shortage of food, unstable currency and balance of payment deficits. The US provided the needed economic package in the form of Marshal Plan to help towards the recovery of Western Europe and other Asian states.

The United States became truly hegemonic at the end of the Second World War in 1945. What this means is that the U.S. emerged from the war so much the strongest, its economic capability so far ahead of anybody else, in that it could compete and "undersell" anyone in their home markets. This economic buoyancy was backed by unparalleled strength in military and served as the cultural centre of the world with New York as the center of America's popular culture.

The rise of United States is not a process which begun and ended in the aftermath of the 30-year war (World Wars I &II). The rise started circa 1870 in the wake of the beginning of the decline of Britain. Germany and the United States competed with each other as heirs to Britain. Both expanded their economies greatly surpassing that of Britain and their military strength enhanced. Germany failed in its attempt to achieve imperium in the world-system. Imperial conquest of the world-system has never been successful and will never be. Any attempt at imposing imperium only achieves a short-term military victory but unites all opposition forces against you in the long run (Wallerstein, 2003:32). Such was the case in the 30-year war as Germany's aggression united the US and the Soviet Union against Hitler.

The conventional narrative about the rise of the US to hegemony in the world-system has been that the United States waited for Britain and its rivals to engage in a prolonged military confrontation, which resulted in a devastating effect on their economies. The United States then supplied goods and credits to them and intervened in the war at a late stage and dictated the terms of peace. As much as this narrative may be true about the wartime actions and effort of the US have in no doubt positioned the US as a credible alternative to the British hegemony. Nonetheless, this offers a simplistic reading of an otherwise complex process, which has its origins in the eighteenth and nineteenth centuries.

The hegemony of the United States was achieved through effective organization of agricultural and industrial production derived from riches in all kinds of resources included but not limited to a dominant global “migratory flow” (Amin 2011:98). By global migratory flow, Amin meant the transportation of slaves from West Africa who have been part of the plantation economy in the US since the seventeenth century. Following the birth of the US as an independent nation, domestic production of cotton became the economic engine of the antebellum economy (Dattel 2009:34). Its emergence rested on a convergence of events; the revolution in the textile industry in England, the availability of massive acreage for production of cotton and the existence of black-slave labor. These events put together led to the emergence of cotton as a dominant force in the economic development of US (Dattel 2009:34). The growing worldwide effective demand for plantation produce in the eighteenth century proved to be the heyday of the transatlantic slave trading as hundreds of thousands of Africans were shipped to North America to work on plantations, which fully depended on slave labor.

The “cotton empire” became truly international, connecting the South to the North of America, the West and Europe. The consumption of this singular mass production commodity consolidated the economic hegemony of the United States (Chase Dunn, 1989:187). This is harder to argue in the case of the Dutch and British when they attained hegemony in the world-system. The importance of slave-produced cotton stems from both domestic and international factors (Dattel

2009:34). Internationally, the United States supplied Britain with over 80 per cent of its cotton for industrial use (Hugill 2009:406). Domestically, during the 1860s cotton fed the textile industry in the US.

What proved crucial for the United States textile industry was the protectionist policies in the 19th century that subsequently saw the growth of the sector and a high percentage of the cotton supplied to local industries. Peripheral production of cotton in the Southern states created a class of merchants who exported raw material to England in exchange for British imports. These merchants more often than not opposed policies amenable to the development of core production that threatens their export and import businesses (Chase-Dunn, 1980:191). This explains why the Southern states exporting raw materials to England initially opposed the protectionist policies. The protectionist tariffs did not only increase the prices of British manufactured imports but also the peripheral producers in the Southern states feared retaliation from Britain which they see as detrimental to their export businesses (Chase-Dunn, 1980:190). But the Northern states predominantly in the manufacturing sector supported tariff imposition on imports from England. After 1861, the protected cotton industry in US grew rapidly exceeding that of the British. Thus America's economic supremacy fully depended on the production of cotton, a crop predominantly produced by slave labor.

The development of core production in the Northern states particularly in New England was facilitated by the absence of fertile land and climate for a large-scale agricultural production. New England had to resort to building of ships with the only natural resource it was endowed: timber. The low cost of shipbuilding meant profits were high and New England had a competitive advantage. This enabled New Englanders to manufacture ships for exports and for their own domestic market. But simply having the competitive advantage in shipbuilding did not necessarily mean such venture would be allowed to flourish, particularly in the era of British mercantile trade. What proved crucial was "benign neglect" on the part of the British colonial masters (Chase-Dunn 1980:197). Britain's rivalry with France paved the way for the emergence of core production in New England. Nonetheless, the expansion in the world-economy due to rapid development of the Atlantic economy was also a contributory factor to the emergence of core production in New England. Shipbuilding enabled merchants in New England to position themselves in the semiperiphery of the Atlantic economy, allowing them to expand their operations rapidly (Chase-Dunn 1980:197).

The advantage of being a British colony also contributed to the emergence of core production in New England (Chase-Dunn 1980:197). The British economy was experiencing rapid economic development as a result of the industrial revolution. This also meant that Britain was on course to becoming the hegemony of the world-system. British colonies were therefore exposed to the most advanced technologies and immigration of skilled labor than colonies of rival powers.

The United States was better placed than Germany to takeover from Britain as the hegemonic power of the day. It is a huge landmass of continental proportion, its insularity, its abundantly endowed natural resources and the policies of its government to keep its doors closed to imports but receptive to overseas capital and enterprise help make the US a major beneficiary of British free-trade (Arrighi 1990: 397).

Unlike Britain, the United States did not practice free trade unilaterally and exercised no entrepot functions. It did not also have massive overseas possessions to coercively extract resource from. Instead, the United States was a sufficient continental-sized economy. This giant state did promote trade liberalization but not through a wholesale opening of its domestic market to foreign imports as Britain had done. Rather, it did so through a combination of bilateral and multilateral agreements with and among states those for all practical purposes were its vassals in the politico-military confrontation with the USSR (Arrighi 1994:67-72, 274-95). Japan, South Korea and Taiwan were more or less vassals of the US in Asia.

The same strategy was in full swing in Africa at the same time. United States trade with the continent got even bigger during this time from just over US$ 28 million in 1913 to US$ 1,200 million in 1948, representing nearly 15 percent of Africa's foreign trade (Rodney 1972:192). United States' largest trading partner in Africa was South Africa, supplying her with gold. Apart from trade, the United States also acquired considerable assets in Africa. One notable acquisition is Firestone Rubber Company in Liberia, which made tremendous profits from Liberian rubber. United States' foreign direct investments in the last two decades of colonialism surpassed those of Britain, Germany and France (Rodney 1972:193).

What I sought to do in this chapter was to locate West Africa within the capitalist world-economy since its inception in the sixteenth century and the vital role it played in the economic rise of the Dutch, the British and the Americans to global hegemony. The Atlantic commerce was integral in this process. The rise of the Dutch hegemony, successful completion of England's industrialization that heralded the British hegemony and the production of cotton with predominantly slave labor, which ushered in the US hegemony as elaborately demonstrated in this chapter. Sub-Sahara Africa has a long-standing engagement with the capitalist world-economy since its inception in the sixteenth century. The trade in gold dominated the trade between West Africa and the European world-economy. The slave economy in the later part of the century dominated the most part of this engagement, as African slaves became the chief source of labour for capital accumulation. As the European world-economy expanded to incorporate its external arenas as its periphery, so did the nature of the economic engagement with West Africa changed from a slave economy to agricultural and natural resource based economy in the twentieth century.

The rise of the three hegemons of historical capitalism cannot be adequately explained through the structures or interaction of forces internal to any of the three hegemons. Their rise is part and parcel of the structure and development of the world-economy, which involved the exploitation of the periphery in the process of unequal exchange. Africa as a member of the periphery since the inception of the world-system has performed and continues to perform this role. Understanding this part of the story is critical to making sense of contemporary relations between China and Africa.

In the next chapter, I discuss reasons why the West achieved hegemony in the world-economy since the inception of the modern world-system and China did not. Although the East Asian nation was more developed than its Western counterparts centuries preceding the creation of the modern world-system.

CHAPTER 4

HEGEMONY OF THE WEST AND THE RISE OF CHINA

4.1 Introduction

In Chapter three (3) I discussed Africa's role in the making and sustenance of hegemonic powers throughout the *longue duree* of the capitalist world-economy. I underscored elaborately Africa's integral role in the making of the three hegemons of historical capitalism namely the Dutch, British and the American hegemony. The trans-Atlantic commerce was instrumental in this regard. The objectives of this chapter are to investigate; (a) the reasons why the West attained hegemony and China did not; (b) reasons for the rise of China in recent years. Understanding China's past and particularly its relations with its periphery (vassal states in the China-centered tribute trade) will not only help make sense of China's engagements with Africa in contemporary times but also help understand the dynamics and emergence of capitalist development in the West and its subsequent hegemony.

4.2 Why the West Pulled Ahead

The last of the three hegemonic powers of the world-system, United States was by far the most preponderant power at the end of the Second World War. The US was successful in helping revive the economies of Western Europe and Japan after the devastating effect of the Second World War. By the middle of 1960s, both regions were virtually at parity with the US in economic terms; US producers no longer had the productive efficiency over their competitors and were not in the position to out bid or out-sell their Western European and Japanese counterparts in their home markets. In fact, the opposite was true. Western European and Japanese firms particularly the automobile industry began to flood the US home market and in effect directly competed with their American counterparts. The revolutions of the 1960s and the war in Vietnam also added to the strain on the economy of United States. The Vietnam War was not just a military defeat the US suffered but also had a huge consequence on the US economy and its ability to remain the most dominant economic power in the world-system. The war proved extremely costly and the United States more or less depleted their gold reserves to fund the war (Wallerstein 2003:18).

By 1970, it became quite clear that the US leadership of the world-economy was in jeopardy. Various US presidential regimes from Nixon to Bush have taken steps and implemented policies to slow down the decline of US power. One key step taken was to draft in Western Europe and Japan from being satellites of the US to becoming partners in managing the world-economy (Wallerstein, 2003:19). The result of this action was the institutionalization of multilateral forums like the G-7 and World Economic Forums in Davos. These initiatives may have worked to a point. But the demise of the Soviet Union and the Iraqi invasion in 2003 transformed what otherwise would have been a slow decline of United States' power to one of "precipitous" decline. By the first decade of the twenty-first century, the United States was no longer invincible not only as a military might but also as the economic and political leader of the world-system[16].

United States decline and the subsequent spectacular economic rise of China have enhanced the predisposition towards the advent of a Chinese-centered world-economy. What this means is that for once, the center of capitalist accumulation will no longer be in the West but rather East. But it would not be the first time China will be the center of trade and commerce if it does happen. China once occupied the center of world trade and commerce in the pre-capitalist world system. In fact, China in the eleventh century was the more advanced of all regions both in economic and military terms Abu-Lughod (1989).

Economically speaking, China's economy was highly monetized and the use of checks and mercantile credits were widespread such that they outshone anything of their resemblance in Europe (Elvin, 1973:159). In military terms, the Chinese emperor commanded nearly a million soldiers and was by far the most powerful in Eurasia (Mielants, 2007:47). China's advancement during this period was predicated on a combination of industrial and commercial factors as well as a long period of peace, propelled by large internal market (Abu-Lughod, 1989:38;Curtis, 1990:109). The era of peace and prosperity China

[16] Immanuel Wallerstein (2007), Precipitate Decline, The Advent of Multipolarity, Harvard International Review, available at https://www.iwallerstein.com/wp-content/uploads/docs/HARVIR7!.PDF accessed December 2018.

witnessed during this period was an inspiration to the West (Arrighi, 2007:42). Indeed, it was the Chinese who first postulated that “it was man who made history”, a maxim adopted by leading figures in the era of the Enlightenment (Amin, 2011:170). Andre Gunder Frank (1998) also argued that the pre-capitalist world system centered on China flourished in the thirteenth century ultimately due to long-distance sea and land routes China offered. Thus, China’s rise to its peak in the pre-capitalist world system in the thirteenth century and the early decades of the fourteenth were due mainly to “developments in the East, not in the West” (Abu-Lughod, 1990:277). Nonetheless, in the 19th century, it was Europe that dominated the world in all four arenas (politics, economy, militarily and technologically) had China had plummeted to the periphery of the world-economy by the end of the Second World War.

Why Europe pulled considerably ahead of China between sixteenth and nineteenth century has been one of the preoccupations of the World-System Analysis. The work of Douglas North, Fernand Braudel (1977), K.N Chaudhuri (1981) and Immanuel Wallerstein view the rise of the West as somehow due to the emergence of efficient institutions in early modern Europe- more efficient markets for goods and a more productive ways of employing factors of production than those existing elsewhere and in China in particular. Consistent with these arguments is the work of Patrick O’Brien who agrees that the windfall from the New World mines, slave-trading and plantation gave Europe the ability to invest more than what its internal trade and productivity would have allowed. Yet, O’Brien maintains that these profits resulting from overseas coercion were unimportant and have in no way contributed significantly to the rise of Europe (1982:17).

A preponderant number of scholars have rejected the facile suggestion that the rise of the West was due to the existence of efficient market institutions (Abu-Lughod 1989; Amin 2011; Chaudhury and Morineau 1999; Ikeda 1996; Frank 1998; Wong 1996). The most recent work to have challenged this dominant narrative is Kenneth Pomeranz in his *Great Divergence (2000)*. Pomeranz challenged the empirical validity of this claim by providing convincing explanation to dispel any attempt to cite the superiority of efficient market institutions in the West as basis for its rise to hegemony. Pomeranz argues, "western Europe even as late as 1789, were on the whole probably further from perfect competition—that is, less likely to be composed of multiple buyers and sellers with opportunities to choose freely among many trading partners—than those in most of China and thus less suited to the growth process envisioned by Adam Smith"(Pomeranz, 2000:17).

The regions of Northwest Europe and East Asia were similar in both the nature of their respective economies and the pattern of their economic growth up to the end of the eighteenth century. It was only at the beginning of the nineteenth century that Europe charted a superior development trajectory different to that embarked by China and East Asia. But Europe did not achieve this by virtue of its "internal inventiveness". Rather, Europe's relationship with its peripheries was fundamental. For Pomeranz, the Atlantic commerce provided Europe with resources and demand for manufactures than what China could extract from its own peripheries. Merchant companies and mercantile states in Europe made it possible to harness slave labor and access raw materials of the American colonies (Arrighi 2007:28).

Population increase in both regions at the end of eighteenth century, particularly in England and China began to create shortage of land and raw material products. If such trend continued, that would have necessitated increased labor-intensive methods to offset shortage of land. Western China and Eastern Europe were potential sources of raw materials in exchange for manufactured goods for both China and England respectively. Yet, the poverty levels and remoteness of both regions meant they were incapable of generating sufficient demand for Chinese or English manufactured goods. Hence, Western China and Eastern Europe could not serve the purpose of raw material suppliers for both regions.

For Pomaranz, what paved the way for England's exit and later Europe from the "Malthusian trap" was Atlantic expansion. The Atlantic commerce allowed the establishment of distinctive overseas colonies for raw material production and supply of slaves, which made it possible for Europe to exchange manufactured exports for land-intensive products (Pomeranz 2000:20). China didn't have such a privileged periphery to establish this kind of unequal exchange relations. As a result, from 1800 onwards China moved towards Malthusian crisis. Therefore, explaining Europe's subsequent hegemony requires going beyond her "internal inventiveness and the virtues of her unique entrepreneurial spirit" (Abu-Lughod 1989:18). The often-cited "uniqueness" of Europe's entrepreneurial acumen is nowhere near the level that existed in other worlds in the thirteenth century (Abu-Lughod, 1989:18). If European capitalists had unique qualities, these were expected to manifest when competing with their Asian counterparts. Rather, Europe's edge appears primarily in geography and the penchants for the use of force to create monopolies and quasimonopolies (Pomeranz 2000:182). Military and political power were fundamental to the way European merchant companies gained control of trade not only in Asia but in the Atlantic as well (Pomeranz 2000:182).

While I share with Pomeranz that European developmental path was characterized by ceaseless territorial expansion overseas and militarism, I believe the most persuasive argument for the divergent development trajectory Europe and China have taken in late eighteenth and early nineteenth century is best provided by comparing the politics of economic change in the *longue duree-* centuries preceding their visible economic divergence (Rosenthal & Wong, 2011:06).

Eric H. Mielants' *The Origin of Capitalism and the "Rise of the West" (2007)* provides a different but complementary perspective. Through a *longue duree* perspective, Mielants traces the root of "great divergence" to the thirteenth century. For him, both the structural limitations and policy choices on the part of Chinese leaders contributed in one way or the other towards the different political and economic trajectories Europe and China have taken in the long run (Mielants, 2007:65). The Chinese state did not provide adequate support to merchants during the Ming and Qing eras (Mielants 2007:65). Overseas commercial expansion was kept in check by policies of the Ming and Qing dynasties, which prioritized domestic trade (Mielants 2007:65). In fact, overseas trade was outlawed and sanctions were imposed on recalcitrant merchants. The effect was China's withdrawal from the seas and concentrated on rebuilding the agrarian sector and internal production. The combined policies of Ming and Qing dynasties hostile to overseas trade expansion not only deprived the government of much needed export and import revenues, limited the magnitude of maritime trade, deprived merchants of state support, but also made it virtually impossible for Chinese merchants overseas to return to China (Mielants 2002:420).

For Mielants, this overseas trade restriction is in contrast with the policies of Sung and Yuan dynasties, which favored overseas trade and shipping. It is true that under Sung dynasty (900-1280), China experienced its glorious era. The magnitude of trade in Asia during this era was overwhelmingly high when compared to Europe (Pomeranz 2000:21). Government revenues from taxes and trade peaked and the Chinese government embarked on a massive shipbuilding program with improved maritime technology (Mielants 2002:405). The policy of the imperial government was targeted at expanding overseas trade and this yielded result. Trade with south East Asia flourished and contact with the rest of the world intensified. The relationship between the Chinese state and merchant associations during this period deepened more than any era in China's history. By the twelfth century, revenue from commerce and craftsmanship became the principal source of revenue under the Sung dynasty. The economic boom in southern China encouraged a wave of unprecedented migration from the north in the 12th century to the south for jobs in the agro-industrial and commercial centers (Abu-Lughod 1989:18). The Sung government remained fully in control of certain sectors of the economy despite massive presence of merchants. The state imposed monopolies on lucrative products such as alcohol, liquor, tea and salt. China witnessed a period of impressive overseas trade than anything Europe experienced at the time. Hence, the era was labeled as the era of Chinese commercial revolution (Elvin, 1978: 79).

Hence, Mielants concluded that the lack of adequate support and backing up of merchants by the Chinese state proved crucial to the different developmental trajectory both Europe and China had taken in the course of the eighteenth century. According to him, European states sent out ships, crafted and implemented foreign policy of industrialism and militarism. The relationship between state power to capital proved vital: the subordination of the state to class interests. Merchants controlled governments in Europe and secured their full backing, preparing the way for a developmental path based on commercial imperialism.

Both Pomeranz and Mielants arrived at the conclusion that non-European peripheries were vital to the rise of the West. But the decisive reason for the West's rise and the "demise" of the East was primarily due to the relationship between state power and capital. Whereas the Chinese state was not supportive of merchants, in the West, merchants succeeded in using state power in pursuance of their own interest. The emerging national states in Europe directly involved in tapping the main sources of mobile capital and the chief instrument in this process was through the establishment of joint-stock charter companies. The activities and conducts of the charter joint companies could hardly be detached from the practice of foreign policy. VOC and the Dutch West Indies Company (WIC) epitomized European conquest and overseas expansion in the seventeenth century. The "rise" of the Dutch, English and the US to hegemony was based on a world-scale capital accumulation backed by the military power. State support was *sine qua non* to the development of capitalism. Capitalism only succeeds when it's identified with the state.

That is not to say as suggested elsewhere, that China was hostile to capitalist accumulation (Braudel, 1977:72). The state contributed immensely to the making of market economy in China. Nonetheless, the support was not in anyway an endorsement of market manipulation for the creation of wealth limited to a particular group or class (Wong, 1997:137; 1999:225). The state supported the principles of market exchange, nonetheless protected consumers from merchants' penchant for wealth accumulation at others expense (Wong 1997:139). China had all the ingredients of a market economy: communities of merchants and bankers akin capitalist organizations in Europe in the sixteenth century. Yet, the mere existence of these capitalist institutions and dispositions in a market economy do not automatically lead to the emergence of capitalism unless the state machinery is subordinated to their interest (Arrighi 2007:332).

European merchants were not only able to subordinate the state machinery to their interest but also the violent nature of European interstate competition made possible a unique form of core-periphery relationship between Europe and the Atlantic world (Pomeranz, 2000:185). Incessant interstate military competition both within and outside Europe for geographical expansion did so much in resolving Europe's deep-seated economic problems than simply as an avenue to populate depopulated areas with African slaves (Pomeranz, 2000:199).

Exploitation of non-European peripheries and the New World resources only, cannot be responsible for the development of Europe and its subsequent hegemony in the world-system. European internal markets and dynamics also mattered, especially in the early days of the Dutch primacy in world trade (Wallerstein 1974), nonetheless, the core/periphery relationships established between Europe and the New World, gave Europe a unique access to resources unavailable to Eurasian core states (Pomeranz 2000:185).

4.3 Why Not China?

Understanding China's history and its relations with the entire East Asia in the *longue duree* is key to unraveling the mystery behind China's unwillingness or its inability to subordinate and systemically exploit its peripheries as done by the West. East Asia in the pre-modern era was made of important national states of Japan, Korea, Laos, Thailand, Kampuchea and China (Arrighi, 2007:314). These states were linked together by trade and diplomatic relations with the Chinese center. These states had principles and norms, which regulated their interaction (Arrighi, 2007:314). The Chinese centered tributary trade was more or less a "regional world-system" akin to the interstate system in the European world-system (Ikeda 1996). The tribute trade system served as a framework of interaction between the Chinese center and the peripheral states. These peripheral states had considerable autonomy enough to even compete with China. Hence, states like Japan and Vietnam competed with China; Japan's tribute relations with Ryukyu Kingdom, and Vietnam with Laos (Hamashita, 1988:75-76 cited in Arrighi 2007:315).

The tributary system, perfected during Ming and Qing dynasties was based on three principals: First, the tributary system assured China of its overall security and strengthened its military credibility. Second, enhance the legitimacy of the Emperor. Third, the tributary system offered an economic avenue through which to pursue appeasement policies (Fairbank, 1942). This arrangement largely contributed to almost three hundred years without any intra-system military confrontation and extra-systemic geographical expansion prior to their incorporation into the European world-economy (Arrighi 2007:315).

The rarity of wars amongst states in East Asian doesn't mean these states never competed with one another. In fact, Japan competed to be "mini-China"- engaged in open competition to create a Japanese centered tribute trade system instead of China (Arrighi 2007:317). On the external front, China fought frontier wars before its incorporation into the European world-economy. But these wars were to transform unsecured frontiers into "pacified periphery" and to prevent intruders. Once this was achieved, China ceased its territorial expansion and military activities, policing activities then ensued to consolidate the monopoly of the Chinese states over its newly established territory. China's territorial expansion did not in any way constitute or resulted in extraction of resources. Rather, the Chinese state committed resources to these frontiers. This kind of competition (both within and outside East Asia) drove East Asian developmental path rather than the European path of war-making and territorial expansion (Arrighi, 2007:317).

One exception does exist, Zheng's maritime empire achieved remarkable feat in its prime in the seventeenth-century. Its naval and commercial success in eliminating Portuguese competition, driving off the Dutch from Tiawan and other lucrative commercial ventures in

South East Asia throws serious doubt on the claim that China was intrinsically unsuited to and technologically bankrupt for a European-style militarism, industrialism and capitalism (Pomeranz, 2000:204). But Zheng's activities were to fund military operations to restore Ming dynasty rather than as a long-term venture of territorial conquest.

A close examination of production into the new frontiers reveals important contrast between European overseas expansion and that of the Chinese. The hallmark of European overseas expansion is the creation of overseas colonies for the purchase and sale of goods they would otherwise have competed with other countries for. Chinese expansion involved the creation of sedentary agricultural and handicraft practices based on a Smithian logic of area division of labor (Wong, 2002:453). As long as China's expansion was Smithian in nature, the new frontiers were economically independent and potential competitors to China. In European colonies however, commercial ties were imposed through colonial trade arrangement, which were not Smithian in nature (Wong 2002:453).

China's development trajectory under Sung dynasty would have led to a different sort of capitalism. The remarkable commercial expansion China witnessed during that era shows that this was possible. China's economic development rested mainly on her own internal developments, technological inventiveness and commercial sophistication based on her ability to harness her local resources (Abu-Lughod, 1989:348). The Mongol conquest in the late thirteenth century stalled capitalist development in China, obliterated economic life and brought the dynamism the Sung dynasty injected into the economy to abrupt end (Chase-Dunn & Hall, 1997:47). The devastating effect of the invasion was overwhelming; it's estimated that about 35 million

Chinese were killed during the invasion in the thirteenth century (Abu-Lughod 1989:41). For the West, the Mongol invasion proved beneficial and useful: it facilitated the emergence of capitalism as the predominant mode of production in Europe (Chase-Dunn & Hall, 1997:47).

European states fought wars of gargantuan proportion to establish exclusive control over the high seas, for the control over these sea lanes meant exclusive access to trade routes linking the West to the riches of the East. For China, peaceful coexistence with its neighbors was more essential than access to world waterways and control over trade routes. It was therefore reasonable for China to continue to build their agricultural based national economy than to waste resources in pursuit of the control of sea lanes. Zheng He's expeditions in the fifteenth century were more political than economic: symbolic and military in nature to increase China's power globally (Abu-Lughod, 1989:343). Admiral Zheng led journeys of ships (not designed for commercial purpose) each carrying as many as 28,000 men in 62 vessels across the Indian Ocean as a show of force and to signal to the world China's military capability (Fairbank, 1969:343). China's naval capability was clearly demonstrated during the seven voyages, which took them all the way to the Persian Golf and Africa. China's naval power was so remarkable that it was capable of dominating Southeast Asia (Fairbank, 1969:343).

Even the tribute trade that Zheng He's expedition sought to expand was not economically beneficial to the Chinese center. The taxation system initiated by Qin and Han dynasties meant that tributary relations between Chinese center and the vassal states did not involve tax collection (Arrighi, 2007:324). Rather, the Chinese center, especially after the Tang dynasty, vassal states presented the imperial court gifts as symbolic gesture and received more valuable gifts in return (Arrighi, 2007:324). In effect, what was meant to be a “tribute” ended up as a transaction, enabling the Chinese center to acquire the loyalty of vassal states. Sustainability of this practice depended largely on not only the ability of the Chinese center to mobilize resources to acquire the loyalty of its vassals, but also its ability to persuade neighboring states that any attempt undermine the authority of the Chinese center would not succeed (Arrighi 2007:324). The Chinese state invested in its peripheries rather than obtaining resources from these peripheries (Wong, 1997:148). This is in stack contrast to what the West accomplished between seventeenth and nineteenth centuries. European states crafted and implemented policies of direct conquest and commercial exploitation of their African and American periphery.

In fine, militarism, industrialism, and capitalism characterized the western developmental path (Arrighi, 2007:336). This was absent in East Asia and China in particular not because China was incapable of but rather it was unwilling to do so. The unwillingness of China to pursue European-style overseas expansion and armament race contributed in making China vulnerable to European expansion. When European expansion into East Asia commenced, China was unable to resist attempt at incorporation into the European world-system.

The legacy of Chinese-centered tribute-trade that formed the basis of social organization amongst East Asian states for centuries will remain a feature China’s foreign policy in East Asia and beyond.

4.4 The Rise of China in the Capitalist World-Economy

China's economic growth and development at the twilight of the twentieth century has been remarkable[17]. The East Asian nation recorded an average growth rate of 9 percent annually earned it admirers especially when this massive growth rate translated into lifting approximately half a billion people out of poverty, an unprecedented feat in the history of humanity. The revival of China's economy has also occasioned a wave of region-wide economic recovery of the entire East Asian landmass. This leading role of China is often cited as one of the indicators of a shift in geopolitical power from West to East. Beyond East Asian, China's influence is even bigger. Its trade with India reached US$ 70 billion in 2011 from $300 million in 1994 (Arrighi 2007:207-208). Between 2005 and 2011, China invested $30.5 billion in the US, $43.2 billion in Europe, $51.7 billion in West Asia, $72.3 billion in South America, $38.4 billion in Australia and $56.4 billion in Sub-Sahara Africa (Lattemann and Alon, 2015:173).

The dominant understanding attributes the success of post-Maoist China exclusively to the virtues of neoliberal policy prescriptions of the Washington Consensus. Such talk do not only contradict the litany of disastrous economic performances that characterized adherence of these policies in the post-Soviet space, Africa and Latin America but also obfuscates the tremendous role Chinese diaspora capital played

[17] Joseph Stiglitz, (2006)"Development in Defiance of the Washington Consensus," Guardianavailableonhttps://www.theguardian.com/commentisfree/2006/apr/13/comment.business accessed on 20 December 2018.

which laid the foundation for economic development in the early days of Deng (Arrighi 2007:351). The Chinese diaspora, particularly those in Macau and Hong Kong invested heavily in Mainland China when the government sought their assistance in attracting foreign capital (Arrighi 2007:351). Their investments proved useful in the early years for the Chinese government than the much-publicized "China opening" to investments from the West that came in later after the Chinese ascent has gained momentum. Foreign capital played a vital role in increasing Chinese exports, nonetheless, the explosive rise of Chinese exports was only a last phase of the rise of China (Arrighi, 2007:351).

While China welcomed the assistance and advice of World Bank from the start of the reforms, it always did so in the national interest without any recourse to the interests of Western capital as the case may be in Latin America or Sub-Sahara African states. Joseph Stiglitz argues that the reason why China absolved itself from the worst effects (China experienced slow economic growth during the period notwithstanding) of the crisis is because China pursued policies contrary to the one IMF advocated (Stiglitz 2002:126). China fully appreciated the consequences of macroeconomic policies that the IMF policies habitually overlooked. China knows too well the consequences of social instability and to avoid one, it needed to prevent large-scale unemployment. Hence, economic restructuring had to be done in a way that will foster the creation of jobs rather than as a recipe for labor retrenchment or unemployment (Stiglitz 2002:125-126).

Today, China is fully integrated into the world-economy, participating in the international division of labor and all the aspects of economic globalization (Yang 2003). Its brand of capitalism is beginning to accumulate wealth driven by high economic growth and development. Amin reckons that we may be entering a new era of capitalist development with the center of global accumulation tilting towards Asia, a capitalism that may lose its imperialist character (2006:26).

For the five centuries of its existence, the development of the capitalist world-economy has been based on interstate competition and the formation of political structures- that's hegemonic core powers, effective enough to control political and social environment of world-scale accumulation of capital. The mechanism for resolution of crisis of accumulation in the world-economy has historically been through the rise and fall of the hegemonic core powers. With the decline of the United States, Arrighi suggests that we may be reaching a period where the crisis of accumulation may not lead to the emergence of a hegemonic state strong enough to influence the world-scale accumulation of capital (Arrighi, 1994:325).

For Arrighi, the three possible outcomes of the current crisis of accumulation are: first, United States by virtue of being the incumbent hegemony may use its war making capabilities to achieve imperium, second, if the US fails, East Asian capital would assume a commanding role in the world-economy, nonetheless, the East Asian states' lack of a strong state with war-making capabilities to appropriate the large monopolistic profits may leave the system in complete anarchy. Finally, the capitalist world-economy may be in systemic crisis (Arrighi, 1994:356).

Arrighi and Silver (1999) suggested that the revival of China and the prospect of a China-centered world-economy might provide some systemic-level solutions to the problems the United States hegemony left behind (Arrighi and Silver 1999:289). In other words, unless the hope of China rising to the status of a hegemony of the world-system, humanity will be left with the unpalatable choice of a United States imperium and perpetual systemic crisis.

Will China emulate the West by exploiting the African periphery to attaining hegemony in the world-system? China's relations will the states in the periphery and Sub-Sahara Africa in particular will be critical to China's ascent to hegemony. I discuss China-Africa relations in the next chapter and how the relation has evolved from the 1950s to date, a relation that has received impetus in the wake of China's ascent in the last three decades.

CHAPTER 5

CHINA-AFRICA RELATIONS AND THE WORLD-SYSTEM

5.1 Introduction

The capitalist world-economy, as Wallerstein (1974) intimated is a historical system, which originated from sixteenth-century Europe. Since its inception, endless accumulation of capital has been the *raison d'etre* of the capitalist world-economy. The world-system is not based on a stable equilibrium but on a pattern of cyclical swing, which inevitably creates patterns of economic expansion and stagnation. The existence of multi-centric interstate system is one of the defining features of the world-system with varying degree of power. The hierarchical nature of the inter-state system ensures the movement of economic surplus from the weaker (peripherial states) to the stronger (core) states based on unequal exchange.

Over the 500 years of its existence, the capitalist world-economy has expanded its outer boundaries to incorporate into its domains and in the process eliminated all other historical systems from the globe. Incorporation into the capitalist world-economy to a larger extent depended on the political systems in the zones to be incorporated and in accordance with the internal configuration of power among core states in the world-economy (Hopkins & Wallerstein, 1982:129).

Incorporation involved direct colonial rule, informal imperialism, and sometimes a combination of indirect mode of conquest followed by a period of direct colonialism. The objective of incorporation was neither the search for things to purchase nor to sell in some immediate sense but to make external internal, to restructure economic activities in the zones to conform with and fully participate in the world-system (Hopkins & Wallerstein, 1982:129). This was achieved in two ways. One was achieved by producing for the world market- through the transformation of existing sphere of production to major production activities relevant to and in conformity with the axial division of labor. The other way it was achieved is through the transformation of the sphere of governance to state structures that functioned as a member of and within the multi-centric system of states (Hopkins & Wallerstein, 1982:129).

Africa was an external arena of the world-system since its inception in the sixteenth century (Wallerstein, 1973:08). West Africa was not part of its periphery because the bulk of its trade with the European world-economy from 1450 to circa 1750 was considered as “rich trades”. The incorporation of West Africa only began after 1750 during the industrial revolution when the demand for sugar and cotton expanded enormously which in turn accelerated the demand for slaves from West Africa (Wallerstein 1973:08). The supply of slaves may have commenced West Africa’s incorporation into the European world-economy but it was the global expansion of production in Europe, requiring market for sales and purchases (legitimate trade) that actually incorporated West Africa into the now single global capitalist system as its periphery (Wallerstein 1973:08).

Through the process of incorporation, West Africa was confronted by an ideology which did not only reject African beliefs and values but was also pervasive in the multiple forms it took: Christianity, democracy and science. This experience was not uniquely African, nor was the reaction of Africans unique. Resistance to this intrusive newly dominant ideology took different forms (Wallerstein, 1988:331). But the West used the superiority of their military and naval power to fight wars of gargantuan proportion to enslave, exploit African natural resources, imperialized and colonized Africans. The benefits Europe derived from Africa is fairly known: played a huge role in the development of the European world-economy and the emergence of the Dutch and the British as hegemonic powers of the world-system. Otto Von Bismark, then Prussian leader could not have put it any better when he remarked "he who controls Africa will control Europe"(quoted in Horace, 2008:92) at the Berlin conference, which partitioned Africa among European powers in the 19th century.

Africa's incorporation spanned a long conjuncture and involved a departure from the history of the African people and a structural transformation of one mode of production by another which fully integrated Africa's economic activities into the network of the world-economy's production processes. The structural and reciprocal dependence of core and peripheral production based on unequal exchange has fundamentally become a new phenomenon to the zones being incorporated that had previously been external arenas of the capitalist world-economy. Once masters of their own history, African people through incorporation are now bound by the capitalist world-economy and its history as the periphery. Without doubt, this has also meant a decline in the wellbeing of the African communities concerned (Hopkins & Wallerstein, 1982:129).

Incorporation does not only entail a structural transformation of networks of production but also of local networks of governance. The intrusive nature of the capitalist world-economy into external arenas meant a creation of political structures amenable to endless accumulation of capital. The creation of nation-states functioning in an inter-state system in this sense is fundamental to the continued reproduction of the world-system as a whole (Hopkins & Wallerstein 1982:129). The Berlin Conference in 1844 to partition Africa from empires and domestic small communities to nation-states amongst the Western powers may have been part of the process towards the full incorporation of the African continent into the capitalist world-economy.

Similarly, China's incorporation was not an initiative of the Chinese and not without coercion. It was an initiative on the part of the Europeans that began circa 1830 (Wallerstein 1986:32). The British planted opium in India and shipped it to China in return for the purchase of Chinese tea and silk. The Chinese Emperor later prohibited the product from entry into China. This in turn forced the British to use force (the Opium War) to break the opposition. The increase in importation of opium after the war triggered the direct incorporation of China particularly the southern part into the world-economy (Wallerstein 1986:32). Complete incorporation of China spanned a period lasting close to a century starting with the gradual incorporation of the Southern part in the aftermath of the Opium onslaught. Overseas Chinese business groups played a vital role in facilitating China's incorporation. Their network did not only contribute to the colonial establishment but also became independent agents that proactively exploited the opportunities provided by western imperial expansion and emerging nationalist politics in China to establish themselves as formidable force on their own and sometimes even at the expense of western colonial interests.

Africa and China are now fully integrated into the capitalist world-economy participating in the axial division of labour within the multi-centric inter-state system. These two zones are now engaged in a form of a new "partnership" due to their common history and interest that stems from their Third World alliance (Alden and Hughes 2009:563). Chinese state officials seize every opportunity to portray this shared history in their relations with Africa.

China's charm offensive to Africa has not gone unnoticed. Its increasing engagement with the continent has elicited a wave of vibrant debate about whether China is emulating the neocolonialist or imperialist path taken by the West in their quest for hegemony or China is truly a friend of Africa engaged in a mutually beneficial relation with the continent as its mantra of win-win suggests. The rest of the chapter looks at the historical underpinnings of China's relations with Africa over the *longue duree* and the strategies the Chinese have adopted in engaging Africa in recent times.

Unpacking all the facets of Africa's engagement with China will help us understand Africa's role in China's ascent to hegemony in the world-system.

5.2 From Ideological Solidarity to Economic Dominance

China first made contact with Africa in the seventh century, long before Europe established contact with the continent. Chinese sources date the contact even further to the era of the Han dynasty when the two sides engaged in episodic trade. Trade relations between China and Africa intensified between 960-1279 under the Song and Ming dynasties (Wu, 2007). As part of Zheng He's expeditions to expand China-centered tribute trade and temporarily restore China's reputation as a key East-Asian regional maritime power, Zheng made seven expeditions to East Africa. Chinese scholars and officials are quick to add that despite Zheng He's mighty naval fleet expeditions to the continent, he did not take advantage of the imbalance in power by colonizing or seizing slaves. If He's expedition has left any legacy on the continent at all, it was one of trade, stimulating demand for Chinese silk (Raine, 2009:13).

Prior to the twentieth century, any contact with Africa came largely under the rubric of trade rather than conscious effort to engage at the governmental level. The Bandung Conference in 1955 was a game-changer in China-Africa relations. The Conference was crucial in the development of any diplomatic interaction between China an Africa of any kind. Six African states namely, Egypt, Ethiopia, the Sudan, Libya, Liberia and the Gold Coast (present day Ghana) were represented at the conference. Prime Minister Zhou Enlai seized the opportunity to establish a working relationship with the African delegates. The 1950s was a crucial period for Africa's struggle against imperialism and colonial domination. This provided a fertile ground for China's political agenda and to project its Third-World credentials to win friends and gain influence. China achieved exactly that; the Bandung Conference was followed by efforts to ramp up diplomatic, cultural and economic contacts with Africa. Chinese cultural missions visited some parts of Africa and the first commercial inroad by China in Africa was the purchase of large cotton from Egypt followed by first commercial contracts with Sudan and Morocco (Ogunsanwo, 1974:09). China established its first embassy in Africa in Cairo, Egypt in 1956 with a wider function of contacting as many Africans as possible and make concrete analysis of general situation in Africa (Ogunsanwo, 1974:09).

But the efforts to engage at the governmental and diplomatic levels were initiatives of the Chinese, rather than of the African states themselves (Ogunsanwo, 1974:01). This immediately raises question of China's interest in Africa. Was it a matter of a well-crafted foreign policy towards Africa or it was just an *adhoc* policy of fomenting revolutions under the guise of struggle against imperialism especially in places where these revolutions are detrimental to the imperialists? China's interest in Africa can be broadly categorized into 3 separate but interrelated components namely, Chinese model export to Africa, superpower struggle with US and Soviet Union, and policy towards the Third World (Yu, 1977:96).

One of the major components that formed the basis for founding the PRC in 1949 has been the concept of "the people's-war formula", a struggle to capture political power through revolutionary means and must be Communist party-led. The call for African people to emulate the Chinese experience in their liberation struggle was the hallmark of China's Africa policy in the 1960s. Another component of the Chinese model relates to development. Clearly, China's level of development post 1979 is remarkable not only in China's history, probably unprecedented in human history. But the levels achieved post 1949 in the areas of education, socio-economic and health within a relatively short time was a monumental achievement, given China's development in 1949 when PRC was founded. China was quick to offer its developmental experience to other African states to follow (Yu, 1977:100).

The second objective of China in Africa related to its hegemonic aspirations in the world-system. The struggle against Soviet Union and the United States was integral to China's Africa strategy. The Cold War influenced China's foreign behavior as regards its Africa policy and its relations with the US and USSR. For China, diplomatic recognition by newly independent African countries will be a breakthrough in its relations with African states and will obliterate any attempt on the part of United States to block its admission to the United Nations. Solidarity of African and Asian states would effectively end United States attempt to isolate China in the international system and would in effect inflict a set-back on one of United States' major policies. China's Third World leadership credentials would further be enhanced if newly independent African countries ignored United States request by recognizing her (Ogunsanwo, 1974:71).

The Communist bloc, with Moscow as its capital has since the October Revolution in 1917 acted as the supreme guardian of Marxism-Leninism and much more so the real dictator of the strategies for adoption by Communist parties worldwide. Stalin's demise in 1953 did not only mark the end of the Soviet Union as a "monolithic" bloc but also ended an era when a decision by one man could change the entire course of Soviet Union and the world Communism. His death was followed by a process of destalinization and desatellization. The effect of which was Krushchev's denunciation of Stalin at the 20th Party Congress in 1956 and subsequent split of Sino-Soviet friendship in 1960. These events in the Communist bloc had ramifications for China's policies in Africa due to the common ideological viewpoint Communist states are said to share. With the demise of Stalin and Krushchev's denunciation of Stalin, the only giant left in the Communist world was Mao Tse-tung and the Chinese expected him to play the role Stalin had played in providing guidance to the Communist world with Beijing as Capital. This meant that China's policies in Africa in the 1960s was on the basis of her relations with the Soviet Union and United States.

China's involvement in Africa also related to its credentials as the leader of the Third World. Its activities in Africa between 1950s-1960s is both in reaction to the prevailing climate of the international system as interpreted by the Chinese and an attempt to change those aspects of the environment which were detrimental to Chinese interest (Ogunsanwo 1974:01). The two major events that changed China's policy towards the Third World were the Sino-Soviet conflict and the emergence of newly independent African countries. Most importantly, China considered Africa's decolonization as an avenue to solicit for support for its Third World unity agenda. China relied on the support of Latin America, Asia and Africa to challenge the domination of Europe and United States. Zhou Enlai and Chen Yi's visit to Africa and Asia between 1964-1965 was to operationalize China's Third World agenda.

The period 1950s has been the era of unquestionable hegemony of the US in the world-system sustained by its marked superiority in all fields of production after the Second World War. The US constructed around itself an alliance of "Free World", investing in Western Europe and Japan's economic reconstruction through the Marshall Plan. Through this process, the US sought to guarantee the survival and peace in these and dispelled any tendency of Communist threat from outside these jurisdictions (Wallerstein 2000:356). United States entered into an protracted ideological confrontation- a Cold War relationship with the Communist-led U.S.S.R. with threats of nuclear warfare but no such thing occurred nor was there any direct military confrontation involved.

The United States committed itself to achieving decolonization of Africa and Asia through a gradual and bloodless process via "moderate leadership" (Wallerstein, 2000:356). The US military had a role albeit limited to play in the decolonization process under the control of moderates. For the Chinese, their message has been clear; to support Africans in their struggle against imperialism through revolutionary means. In a speech to CCP) in September 1956, Mao Tse-tung indicated China's commitment to supporting the independence struggle of Africa, Asia and Latin America through revolutionary means (Ogunsanwo, 1974:13). Ideological predispositions dominated the rhetoric of China and the Chinese exhibited a deep interest in the historical record of Africa's territorial division and exploitation by the Western powers. China adopted an attitude of associating Chinese interest with that of the interest of the African people. Attempts were therefore directed at making the newly independent African states anti-Western and anti-imperialist as possible and by showing that China supports and will continue to support them in their struggle against political and economic domination. By so doing, China made her struggle against imperialism and anti-revisionism objectives those of Africa. Every attempt was made to induce African states into accepting China's world-view (Yu, 1966:466).

For the leaders of these newly independent African states, the situation is much different from the one envisaged by their Chinese counterparts. These crop of young African leaders "believed they had to rule in their people's interest and not in the interest of Communism-militant anti-imperialism notwithstanding"(Ogunsanwo, 1974:23). Hence, in their dealings with China, they had to consider their own interests and the extent to which these interests will be better served. If there were goals subscribed to by all Africans in the 1950s and 1960s, those goals were the emancipation from colonial rule, economic freedom and recognition amongst community of nations (Yu, 1966:465). China made use of traditional methods of statecraft, involving the use of diplomacy, cultural and trade relations and on the other hand deployed established "Communist devices of propaganda, and infiltration of dissident movements and organizational apparatus"(Ogunsanwo, 1974:23).

African states have always welcomed China's support for African independence movement both verbally and materially nonetheless the Communist ideological predilection of the Chinese and their worldview did not resonate with Africans. The incompatibility between China's African strategy and the goals shared by African states meant Chinese policy in Africa was a failure. The success of United States introducing a procedural device in the United Nations in 1961, which made the

China question an important one, requiring a two-third majority meant that China's objective of seeking diplomatic recognition was not successful at least until 1971 (Ogunsanwo, 1974:71). Its Third World policy also suffered, as many Third World states did not subscribe to the idea, arguing that it only serves the interest of China. The Cultural Revolution also weakened China's ability to implement its Africa strategy. China's failure in Africa may also be attributed to the failure of leadership to understand the importance of regional and cultural differences between African states while adopting a universal approach (revolutionary struggle) to different African independence movements (Mohan and Power 2008:28).

Despite its declining interest in Africa in the 1970s, the railway infrastructure between Tanzania-Zambia completed in 1975 and funded by the Chinese stands out as the symbol of China-Africa relations during this era (Mohan and Power 2008:29).

Deng Xiaoping, in 1979 introduced sweeping reforms that set China on the path of capitalist-oriented development that produced unprecedented growth figures for three decades. China's "capitalism with Chinese characteristics" ushered in an era of economic development uplifting millions of people from poverty. Once the path to economic development was assured, the Chinese government through policies such as the "go out" strategy encouraged and became receptive to inward and outward investments.

For post-Mao era Chinese leaders, modernization of the Chinese economy through access to overseas capital, market and technology are essential to China's economic revival. In line with this, China has vigorously pursued a worldwide search of new markets and natural resources of which Africa features prominently. African resources are vital to China's ambitions in the world-economy (Alden 2007:08). Fundamental to China's burgeoning relation with the Africa is the policy of non-interference and no "political strings" (save for not to recognize Taiwan)- supporting African states to define their own economic and political models of their development trajectory in line with their own circumstances and aspirations.

China's short-lived rapprochement with the West following the Tiananmen Square events in 1989 also fostered China's dealings in Africa. In order to circumvent isolation, China embarked on diplomatic overtures to the developing world and Africa in particular. This consisted of visits by Chinese state officials to designated African states to normalize relations regardless of their ideological predilections. China's overtures were embraced by African states especially at a time Western interest in the continent seemed to be diminishing (Alden & Alves, 2008:53).

China's engagement with Africa has since grown from strength to strength culminating into an annual Forum on China-Africa Cooperation (FOCAC) summits. At the turn of the millennium, China's trade with Africa stood at US$10 billion and by the end of 2006, the trade between the two surged to little over US$50 billion. This placed China amongst the first three largest trading destinations for Africa (the US and France were the first two) (Alden, 2007:08). In 2009, China displaced the US as Africa's largest trading partner with the annual trade volumes exceeding US$198 billion since 2012 (Zhao 2014:1038).

Not only that, China is also now the largest trading partner to many African states.

5.3 What Drives China's Increasing Role in Africa?

Three strategies underline China's increasing role in Africa: First, China needs natural resources to keep up with the pace of its ever-growing industrial demands, which its own resources cannot support. Second, search for market and investment opportunities for expanding industrial output of its State Owned Enterprises (SOEs). Third, the need to build strategic partnership in the Third World (South-South solidarity) to counter the dominance of the West (Alden, 2005; Brautigam, 2009; Mohan, 2014:53).

Scholars may disagree on the nature, scope and the possible impact of what the burgeoning relations means for the continent. Yet, there is a convergence of opinion as regards China's interest in Africa in the twenty-first century: natural resource security interest (Taylor 2006; Alden 2009; Mohan & Power; 2008). China's exceptional growth rate has stimulated an increase in demand for oil and energy products. Its oil consumption within a period of 10 years from 1995-2005 stood at 6.8 million barrels daily. China is now the largest importer of oil products with 8.4 million barrels of imports daily (EIA, 2018). China had to look elsewhere for energy to meet this increasing demand. This prompted the "go out" policy strategy to encourage outward investments and internationalization of Chinese firms. This vigorous internationalization strategy was backed by a robust foreign reserve in the aftermath of the global economic meltdown in 2008 when Western banks collapsed while Chinese banks emerged relatively unharmed.

Commercial interests have thus far played a key role in China's engagement with the global South. Africa has proven to be an attractive alternative source of proven natural resource reserves: 30 percent of the world's relatively underexploited bauxite, 75 percent of phosphates, 80 percent of chrome, 60 percent of cobalt, 60 percent of manganese, 30 percent of titanium, 40 percent of gold and 75 percent of diamond (France Diplomatie 2008, quoted in Mohan, 2014:157). In 2011, China imported 24 percent of its oil from Africa and in 2017; Chinese import of natural resource from Africa amounted to 60 percent of all Chinese imports from the continent[18]. The Chinese SOEs deeply involved in these transactions are the three giant National Oil Companies (NOCs); China National Offshore Oil Cooperation (CNOOC); China National Petroleum Cooperation (CNPC), and SINOPEC.

The strategy of these Chinese multinationals on the African resource landscape is clear and simple: to acquire major stakes or take-over of natural resource mining to guarantee access and to circumvent over-reliance on the global energy resources market (Taylor 2006:942). The approach has been largely successful in most African countries particularly in Nigeria, Sudan, Chad, Equatorial Guinea, and Algeria etc. In cases where the strategy of acquiring stakes have failed, the

[18] Data available on the website of China-Africa Research Initiative of John Hopkins University for the Study of International Relations indicates that China's oil import from Africa in 2017 amounted to US$35 billion dollars (60 percent of Chinese import from Africa that year) out of a total of US$90.09 billion of all imports from Africa. See http://www.sais-cari.org/data-china-africa-trade

Chinese employ a range of complex packages like Engineering, Procurement and Construction (EPC) contracts involving infrastructure provision for unimpeded access to African natural resources[19].

Taylor (2006:942) suggests China's oil diplomacy is part of longer-term strategic considerations; Guaranteed and unimpeded access to oil and bulk of the world's natural resources will enable Beijing to influence oil prices. It has been the practice by the most dominant powers in the world-system to have a great say in the determination of prices of natural resources without necessarily being producers themselves. The United States has often used its hegemonic position to manipulate prices of petroleum products by lobbying OPEC to either increase or decrease production of petroleum. Parallel can be drawn with the British hegemony in the 19th century when almost all prices of natural resources were determined in London.

But the structure of China's foreign trade in recent time illustrates well the case for natural resource liability. This is demonstrated in the increasing share of natural resource in the global import of China for the last decade. 64 percent of Chinese imports in 2010 were natural resource commodities with a total value of US$375 billion up from US$40 billion in 2000. In 2017, mineral commodities import of China accounted for US$443.9 billion of all imports to China[20]. To minimize

[19] After an attempt by the CNOOC to by stakes in Ghana's oil fields failed, the Chinese offered a US$ 3 billion loan to Ghana for infrastructure development in exchange for access to Ghana's oil through an off-taker agreement.

[20]Import and Exports figures for China is available on the World Integrated Trade Solution of the World Bank, accessed in March 2019.https://wits.worldbank.org/countrysnapshot/en/CHN/textview

increased vulnerability on natural resource dependence, China has sought to diversify its sources of supply. Although Middle East and Asia remain the main source of China's natural resource imports, Africa is growing in importance as one of the key regions of supply for the Chinese economy.

While resource-seeking has come to define the nature of China's dealings in Africa, it is not the only motive of the Chinese in Africa. The search for market is closely interwoven with Chinese strategy in Africa and part of the "go out" strategy. With production capacity outstripping domestic demand, Chinese firms are encouraged to venture outside in search of new markets. As part of the implementation strategy of the "Go Out" strategy to internationalize Chinese firms, efforts were made to open up emerging markets and in the Third World particular to Latin America, Eastern Europe and Africa with the strong support and backing up of Chinese firms[21]. This resulted in the foray of Chinese businesses to Africa, encouraged by the Chinese government's willingness to subsidize foreign investment by offering financial support in the form of credits, loans and tax incentives. The primary beneficiaries of this scheme is the larger Chinese multinational companies, particularly SOEs through a mixture of packages.

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[21] In Zhu Rongji's report on the work of the government in 2000, reference was made to the government's active support of Chinese business expansion abroad. See, Zhu Rongji, Premier of the State Council, Report on the Work of the Government, delivered at the Third Session of the Ninth National People's Congress on 5 March 2000,http://www.showchina.org/en/China/Reports/2000/201001/t521776.htm

The most popular instrument is the Resource for Infrastructure (RFI) initiative. This essentially involves the exchange of African resources for social and economic infrastructure. This typically involves contracts awarded to Chinese SOEs as executing agencies with other government ministries in China with varying degree of involvement in the projects. On the African side, the obligation to repay may vary from direct extraction of natural resources to returns made from the sale of a particular resource deposited in an escrow account for the repayment of loans.

Access to credit for infrastructure finance is one of the key ways the Chinese have been able to penetrate the African construction market and this is not just a Chinese phenomenon, it cuts across Asia but more prominent in Japan and Korea. If anything distinguishes the Chinese mode of infrastructure financing and investments in Africa from those undertaken by the West is the use of Chinese banks (mostly state-owned) to finance projects in Africa. "This allows for the guiding hand of government to provide an extra boost to companies' overseas"(Brautigam 2010:180). The participation of Chinese multinational banks may be beneficial to African economies in that capital investment will be on long-term basis which is suitable for developing economy rather than tailored to suit short-term return on investment (Mohan and Tan-Mullins 2018:6).

The literature on China-Africa relations has often presented this arrangement as a novelty (Yin and Vaschetto, 2011; Rich and Recker, 2013). Arguably the most receptive policy China has ever implemented in Africa, the practice has been a common currency in China-Africa engagement since the 1960s. China has swapped goods for Africa's raw materials; coffee from Ghana, cotton from Egypt, copper from Zambia, cashew nuts from Tanzania have all been exchanged for Chinese manufactured goods (Brautingam, 2009:45). Nonetheless, offering developmental loans or projects in return for Africa's natural resources is a new phenomenon introduced by the Chinese first in Angola in 2004 when China extended an initial US$4.5 billion loan for infrastructural development in return for crude oil exports (hence Angola model) (Naidu et al 2009:97). Gabon received US$ 3 billion in 2006 for manganese exploration rights, DRC received US$ 9 billion to in 2007 for cobalt mining development (Alden and Alves, 2009:9). Ghana, Senegal and Congo soon followed Angola's lead when they offered cocoa, peanut oil and minerals respectively to pay for loans advanced for developmental projects (Brautigam, 2009:64).

The policy banks in China, notably China ExImBank, a state owned bank, which supports Chinese businesses overseas through the provision of loans to foreign buyers of Chinese-made products and China Development Bank (CDB) are vital in Africa with the former engaged in infrastructure finance and the latter focused on largely commercial interest. The Chinese Communist Party does not directly control these banks, but the Party in many ways influences them if there is a policy direction to be followed (Mohan and Tan-Mullins, 2018:07). Between 2000-2015, the two banks have advanced a combined total of over US$ 75 billion to African countries representing about 80 percent of loans advanced to the continent during that period[22].

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[22] Data collected by the China Africa Research Initiative at John Hopkins University for the period between 2000-2015 reveal that the Eximbank of China has extended about (US$

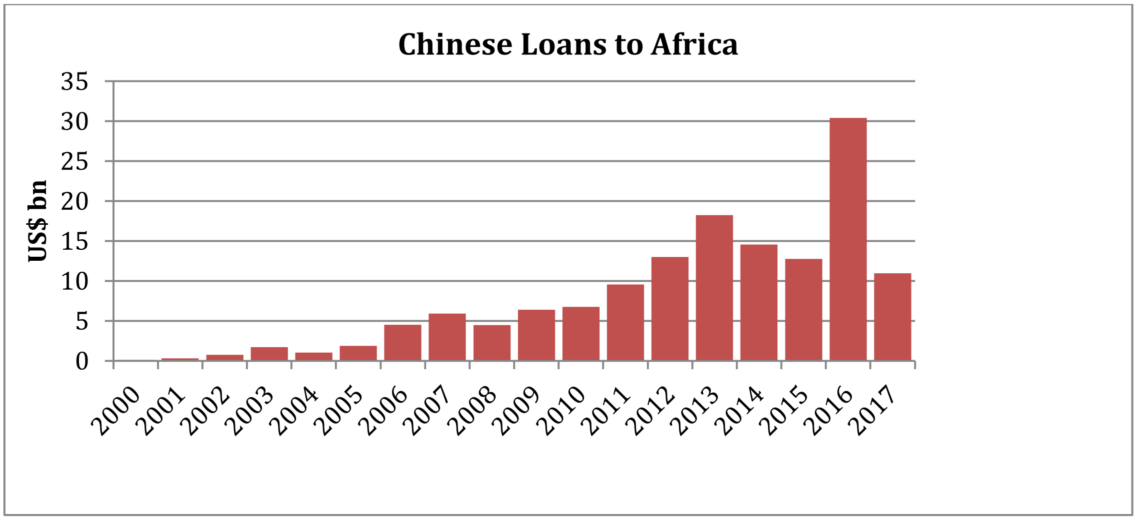

Figure 1: Loans by sector *Source: Data from China Africa Research Initiative*

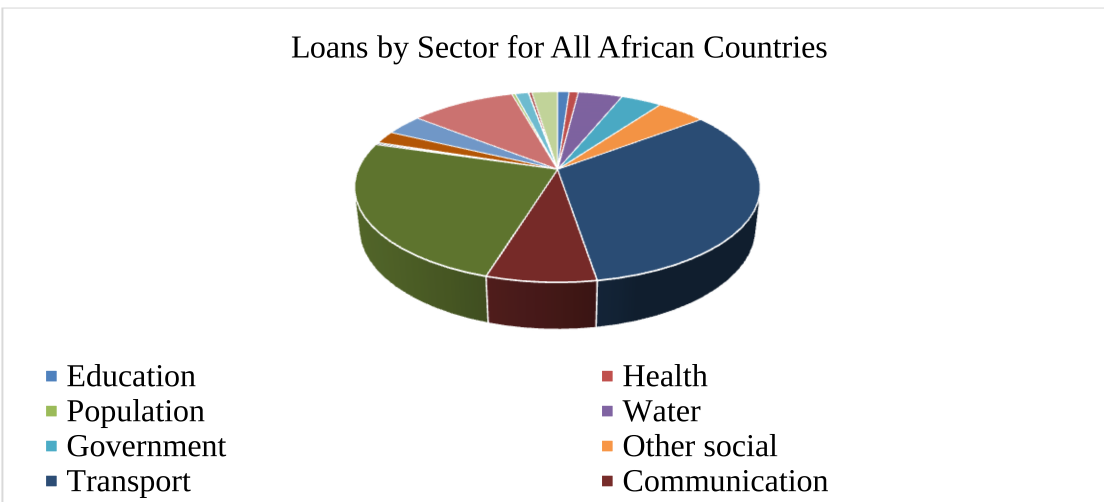

Figure 2: Chinese Loans to Africa since 2000, *Source: Data from CARI*

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63 billion) 67 percent of all loans advanced to African states. See http://www.sais-cari.org/data-chinese-loans-and-aid-to-africa accessed in January 2019

Table 1: Chinese loans to African states since 2000, Source: CARI

Chinese Loans to African Governments, 2000-2015, by Lender (millions of US$, unadjusted)					
Country	**Eximbank**	**CDB**	**Supplier's Credits**	**Other**	**TOTAL**
Regional	100	354	0	2000	2454
Algeria	0	0	0	9	9
Angola	6937	8775	22	3491	19224
Benin	777	0	0	131	908
Botswana	90	0	0	841	931
Burkina Faso	0	0	0	0	0
Burundi	47	0	0	52	99
Cameroon	3632	45	2	43	3723
Cape Verde	81	0	0	56	137
CAR	0	0	60	43	104
Chad	606	0	0	0	606
Comoros	8	0	0	0	8
ROC	2433	0	238	165	2836
Cote d'Ivoire	2449	0	0	72	2521
Djibouti	1301	0	0	616	1917
DRC	3067	0	0	20	3088
Egypt	77	300	0	54	432
Equatorial Guinea	1121	0	478	23	1622
Eritrea	488	0	0	16	504
Ethiopia	7245	655	4165	1003	13067
Gabon	750	0	0	278	1027
The Gambia	0	0	0	0	0
Ghana	1536	1000	469	172	3176
Guinea	608	0	0	38	646
Guinea-Bissau	0	0	0	0	0
Kenya	6319	240	0	290	6849
Lesotho	0	0	0	8	8
Liberia	0	0	0	0	0
Libya	0	0	0	0	0
Madagascar	56	0	0	0	56
Malawi	239	0	0	0	239
Mali	903	0	0	79	981
Mauritius	377	0	0	54	431
Mauritania	381	0	0	89	470
Morocco	501	0	0	14	516
Mozambique	1686	100	0	93	1878
Namibia	489	0	222	18	729
Niger	684	0	0	19	703
Nigeria	2610	0	390	500	3499
Rwanda	151	0	0	74	224
Sao Tome & Principe	0	0	0	0	0
Senegal	1497	0	0	21	1518
Seychelles	62	0	0	1	63
Sierra Leone	48	0	12	0	60
Somalia	0	0	0	0	0
South Africa	0	411	0	0	411
Sudan	4837	0	598	1043	6477
South Sudan	182	0	0	0	182
Swaziland	0	0	0	0	0
Tanzania	2086	200	0	62	2348
Togo	570	0	0	14	584
Tunisia	123	0	0	3	126
Uganda	2806	0	0	71	2877
Zambia	1768	176	0	512	2456
Zimbabwe	1325	40	290	61	1715
TOTAL	**63,052**	**12,297**	**6,946**	**12,147**	**94,441**

One of the defining characteristics of the Resource For Infrastructure (RFI) initiative is the use of Chinese SOEs as construction engineers. Although these loans are advanced to these countries, yet in reality the money never leaves China. Most of the procurement is done using the Chinese supply chain. This helps in speedy delivery of infrastructure in time and most importantly decreases corruption in beneficiary country since tangible infrastructure is delivered and not soft cash. The Chinese banks do not only serve as development and export banks as the case may be for Eximbank and CDB respectively, but also create international market for Chinese products.

Another means China uses to facilitate its economic engagement with the global South and Africa is through the use of Special Economic Zones (SEZs). In the economic cooperation zones model, the Chinese have found a more pragmatic way of doing business with developing countries. Through this program, the state encourages Chinese firms to set up production. The logic behind this strategy is based on China's own experience in development whereby some enclaves where dedicated to provide special incentives as part of China's strategy to internationalize Chinese firms (Mohan, 2014:63). SEZs were important early strategy in China's extraordinary economic growth and development. The initiative proved successful and it is now a hub for China's most successful businesses like Huawei and ZTE (Brautigam and Xiaoyang, 2012:803).

Five of such zones where proposed for sub-Sahara Africa in 2006. Chinese companies have invested in the set-up of the proposed sites with a cumulative investment of over US$ 900 million so far (CAITEC, 2010:04). Two of such zones have been earmarked for Nigeria, Egypt, Ethiopia, Zambia, Mauritius and Algeria as potentially the sixth. The only completed and operational zone at present is the one in Zambia. The US$800 million SEZ was set-up in Zambia's Copperbelt in Chambishi with a copper smelting facility.

The SEZs have received much attention in Africa due to the potential spillover effect it will have on economic growth. The SEZs help China's less competitive firms to move offshore in order to reduce labor and transport costs (Brautigam and Xiaoyang, 2012:802). They may also enable horizontal integration of Chinese supply chains with SEZ-based firms, supplying key inputs to projects run by the larger SOEs (Mohan, 2014:63). The emergence of these cluster-zones funded by the Chinese is seen as potential contributing to Africa's domestic and export markets and most importantly as drivers of employment creation and generating a bigger foreign exchange reserve through diversification of exports (Davies, 2010:26).

While Africans have welcomed this as strategic and potentially a key component in their attempt to diversify their economies from predominantly raw-material exporting economies to manufacturing, yet, some observers have greeted the establishment of these zones with negative media reportage on the basis of the assumption that China's actions are determined by desperate search for natural resources. For these observers, the SEZs are yet another avenue by the Chinese government to secure African natural resources (Foster et al, 2008 cited in Brautigam and Xiaoyang, 2012:801). But the reality is that only three (Zambia, Siberia, and Indonesia) out of the fifteen Chinese sponsored SEZ worldwide are endowed with natural resources (Brautigam and Xiaoyong, 2012:814).

The success of these zones in Africa will largely depend on their ability to attract both local and foreign investments, creating the needed opportunities for Africans through the creation of employment, export promotion and elevating competitiveness in African industries in a socially and environmentally sustainable manner. If these zones fail to integrate local firms and personnel and fail to transfer technology to the local people, and merely serve as avenues for raw material access, then the case for raw material exploitation will be confirmed (Brautigam and Xiaoyang, 2011:29).

5.4 Belt and Road Initiative (BRI) and Africa

As part of market-seeking venture, China has become increasingly active not only in Africa but also defying old norms of acrimony with their neighboring countries in the South by promoting economic integration. The One Belt One Road (OBOR), launched in September 2013 by Xi Jinping, is an ambitious initiative to recreate China's historic sea and land trading routed connecting Asia, Europe and Africa to boost the economies of countries along these routes. The Initiative was inspired by the ancient Silk Road and China has made its intentions clear: to improve transport infrastructure to facilitate trade and investment. BRI, if successful, will have a very deep and long lasting economic and geo-political impact.

While the original scope of the initiative focused on Asian and European countries, Africa since 2015 is gained prominence and countries along the initiative are set to benefit from new transport infrastructure connections and enhance economic cooperation with participating states in Asia. Chinese state media publications and maps in 2015 indicate varying degree of African participation in the initiative. The scope of the initiative has since broadened and now encompasses most part of Africa. China has listed thirty-nine African States on the official website of the BRI to have taken advantage of the initiative. Regardless of the routes the initiative takes, particularly the Maritime Silk Road, Africa is set to benefit from infrastructure investment the initiative provides.

Many scholars in the West have stressed the geo-political and geo-economic implications of the BRI without assiduously looking at how domestic political factors have dictated the dynamics of the Belt and Road Initiative. While some commentators agree that the BRI has commercial implication, on the contrary, others argue that, in reality, China's acquisition and development of ports across the Indian Ocean as part of the BRI initiative is to extend China's military reach from Asia to Africa[23]. According to this view, Beijing's control of ports along the BRI corridors is to provide logistical support to the Chinese navy.

The Chinese Communist Party's (CCP) ultimate aim is to continue to perpetuate itself in power through the omniscient role it plays in policy formulation. The Belt and Road Initiative is no exception. China in recent years embarked on a search for a new source of economic growth to solve its looming crisis of overaccumulation and BRI is one of such attempts. Overaccumulation usually stems from low demand,

[23] See, One belt, One Road, One Happy Chinese Navy. A report by Keith Johnson and Dan De Luce available on https://foreignpolicy.com/author/dan-de-luce/ accessed April, 2018.

overproduction or both. The crisis of overaccumulation is a "creative distraction" on an intensive scale with the tendency of wiping out the excesses in the economy through unemployment, and problems in the financial market (Hung 2008:152). The last time this was experienced was in the 1970s, a decade characterized by economic and financial recession which saw the collapse of the Bretton Woods systems. Attempts and strategies deployed to solve this crisis of overaccumulation is what David Harvey termed as *"spatial-temporal fixes*"(Harvey, 1982). One of the strategies adopted to solve the crisis of overaccumulation was the shift of capital from production to finance and investment in real estates (Arrighi, 2007:358; Hung, 2008:152). Another strategy involves geographical expansion of production or "production in space", where rates of profit is usually higher (Hung, 2008:152).

China was a recipient of such geographical expansion in production in the last three decades when it received FDI inflows averaging about US$50 billion a year (Hung, 2008:158). While "production in space" has global implications in terms of absorbing overaccumulation and shifting the balance of political and economic power to China, it also made the country more vulnerable to a full-blown national overaccumulation crisis (Harvey, 2005). Spatial-temporal fixes do not completely solve the problem of overaccumulation; they only transfer the crisis from one place and time to another. For China, expanding production to new markets and integrating natural resource endowed countries as part of BRI is a logical solution to the seeming crisis of overaccumulation.

The BRI is also a way the government is looking to reduce the regional economic development imbalance created as a result of the landmark reforms undertaken by Deng Xiaoping (Yu, 2018:02). Hence, the initiative is an integral component of China's regional development strategy. BRI is a continuing implementation phase of the "*go out*" strategy of internationalizing Chinese firms (Yu, 2018). Brautigam (2019) succinctly described BRI as "globalization with Chinese characteristics" aimed at internationalizing Chinese firms.

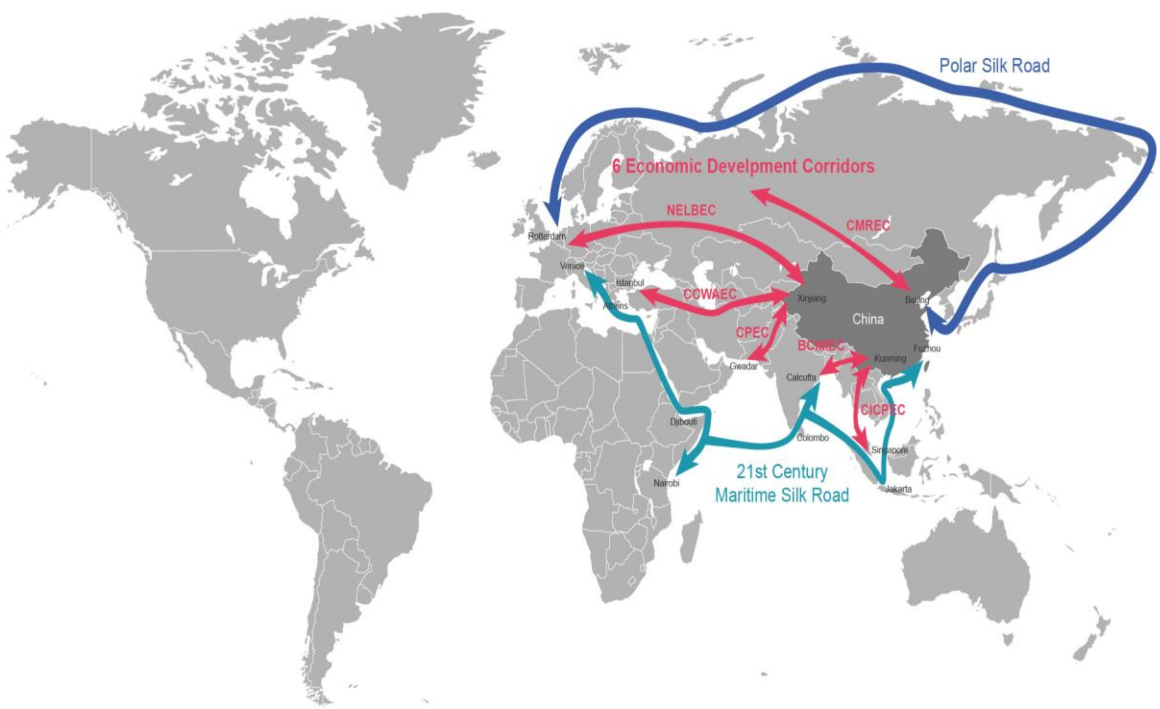

Figure 3: Belt and Road Initiative Map *Source: BRI official website*

Table 2: Projects under the Belt and Road Initiative in Africa, Source: Mercator Institute 2018

Ports	
Doraleh Multipurpose Port - *Djibouti*	US$294 million concessional Eximbank loan
	US$51 million concessional Eximbank loan
Damerjog Livestock Port - *Djibouti*	
Railways	
Addis-Djibouti SGR – *Ethiopia-*	US$2.49 billion commercial Eximbank loan
	US$392 million Eximbank loan
Addis-Djibouti SGR – *Djibouti-*	US$2 billion Eximbank commercial loan; US$1.6 billion concessional loan
Mombasa-Nairobi SGR – *Kenya-*	
Nairobi-Naivasha SGR – *Kenya-*	US$1.5 billion loan
Industrial Zones	US$150 million suppliers credit from China Merchants Group
Multipurpose Free Trade Zone - *Djibouti*	
TEDA Suez Economic and Trade Cooperation Zone - *Egypt*	Joint venture investment with China Africa Development Fund (CADF) and CDB
Tangier Tech City – *Morocco-*	Joint venture with Haite

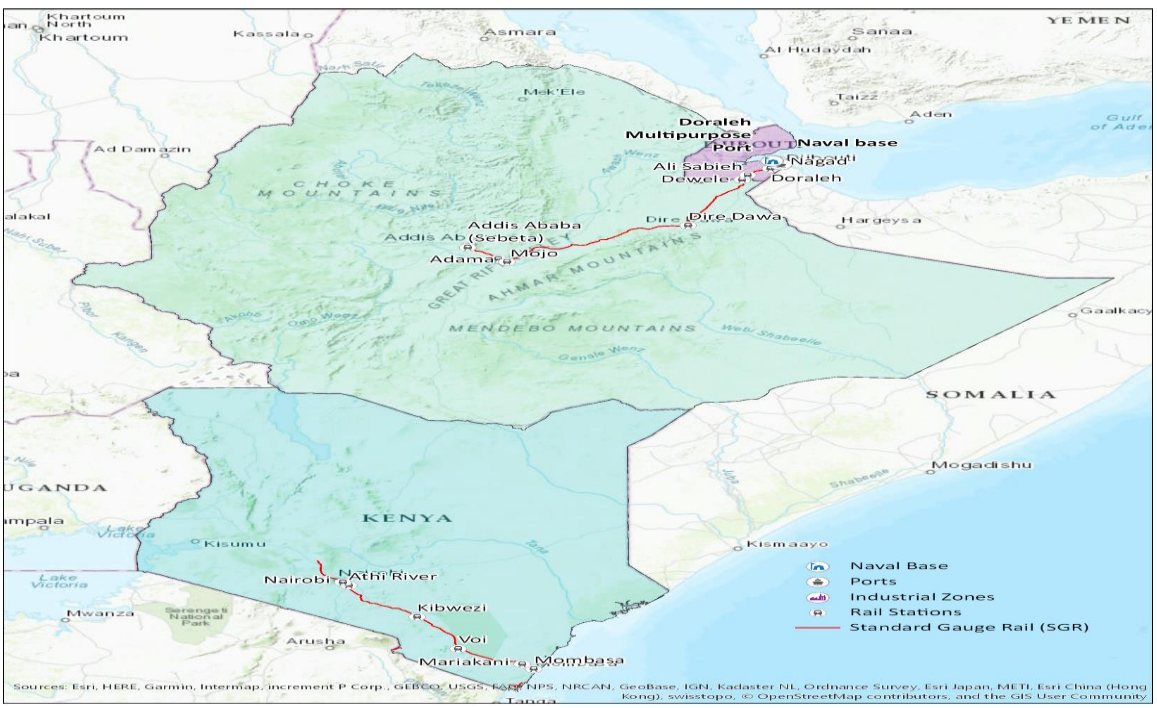

Figure 4: Belt and Road Initiative in Africa, *Source: Chen, 2018*

BRI has shifted the focus of China's mode of commercial dealings with Africa away from the predominance of natural resource to a greater emphasis on infrastructure development and economic integration (Chen, 2018:04). The first group of African countries to have signed up to the initiative when it truly looked like the defunct Silk Road and Maritime Silk Road namely, Djibouti, Kenya and Ethiopia are the big winners. These countries received significant projects under the BRI: Kenya is a recipient of US$3.6 billion on commercial terms for the development of Standard Gauge Railway (SGR) infrastructure through Nairobi to the port of Mombasa and to some parts of Central Africa, Ethiopia and Djibouti together received about US$2.5 billion for rail network connecting landlocked Ethiopia to the coast in Djibouti.

Beyond expansion of transportation infrastructure, BRI also stimulates the development of African digital infrastructure through "information silk road" involving giant Chinese multinational telecommunications companies. Huawei, ZTE and China Telecom have all constructed a number of telecommunications infrastructure projects in Africa as part of the initiative.

The need to offshore China's excess industrial capacity presents opportunity for African manufacturing and industry. The transfer of excess industrial capacity in manufacturing to Africa opens up benefits for local employment. The potential effects of foreign firms produce through technological spillovers could lead to broader processes of technology transfer and economic transformation, crucial for resource and commodity exporters seeking to diversify their exports (Chen 2018:4).

Internationalization of Chinese firms particularly in the construction sectors as part of BRI also enhances Africa's regional integration process through the provision of concrete economic infrastructure to attract foreign investment. This is particularly significant for most landlocked countries looking o integrate into the global supply chain.

5.5 Role of Chinese SOEs in Africa

State involvement in any form of economic activity has not been a popular proposition in recent times. When they do, they have been characterized as inefficient, over-staffed and ridden with high cost of management and corruption. But Chinese State Owned Enterprises (SOEs) are making a compelling argument against this reputation.

Chinese SOEs, after two decades of reforms have weathered the storm after and are now the vanguard of contemporary China contributing overwhelmingly to overseas expansion of China. The Chinese SOEs/MNCs have made inroads in Africa and have captured African resource landscape and market once seen as the preserve of Western interest. A landscape once dominated by Western firms with the requisite resources and political ties to the continent are now being replaced by corporations from China.

Chinese SOEs are as old as the state (PRC): most of them were formed in 1949, after foreign multinationals were driven out of China. This period ushered in an almost 4 decades of China's isolation from the global economy (Alden and Davies, 2006). The socialist government under heavy influence from the USSR established large SOEs in some key sectors of the Chinese economy namely energy, construction and mining.

As part of Deng's market reforms in 1978, large-scale reform of Chinese SOEs was initiated to make them competitive and profitable. The reforms led to repositioning of these large firms into more business-oriented firms running profit and loss accounts. The reform process led to the formation of CNPC and CNOOC, two large multinationals dominating the natural resource landscape in Africa.

Reforms of SOEs are usually accompanied by mass privatization and deregulation. In the Chinese case however, deregulation and privatization were more selected and gradualist in character than in other countries that have followed neoliberal prescription (Arrighi, 2007:356). The success of the reforms was largely due to internationalization of Chinese state-owned enterprises (SOEs) to competition with foreign multinationals (Arrighi, 2007:356).

The implementation of the "go out" strategy, which started in 2001 included a concerted internationalization policy that gave impetus to the state's drive in "picking national champions" to benefit from state support to become truly multinationals. This policy, with clear benefits for the 180 approved SOEs provided incentives and financial support for these companies (Alden and Davies 2006). Chinese SOEs do not

necessarily have advantage over Western multinationals when competing in the open markets. But in economies like Africa, the Chinese SOEs gain from the bilateral influence of the Chinese state.
These SOEs do not only receive state support in the form of preferential finance and tax concessions but also receive political and diplomatic backing from the state such as risk assessments, emigration approvals and insurance. In fact, they represent the national interest of China overseas and the Chinese governments' long-reaching arm. While much of the motivation to go global was market access for its SOEs, the other major driver was the need to secure raw materials for future growth (Mohan 2014:44).
Presently, there are over eight hundred Chinese SOEs active in Africa with a preponderant number of them in the natural resource sector. Amongst this is the CNOOC, which bought 45 percent stake in a Nigerian offshore oil field for US$ 2.27 billion in 2005 (Brautigam, 2009:63). CNOOC received a soft loan of US$ 1.6 billion repayable over ten years from the Chinese state in order to fund the purchase. China State Construction Engineering Corporation received a US$ 3 billion preferential credit, which helped it win bids on contracts in Ethiopia and Botswana (Brautigam, 2009:63). Beijing Construction Engineering Group also received attractive line of credit. Huawei and ZTE in the telecommunications sector are amongst a host of Chinese multinationals receiving support from the state.

Chinese SOEs cannot survive open competition in an open market if not for the support and interference of the Chinese state (Alden, 2007). Indeed in most of the Infrastructure deals signed with African states involves an award of contract to a Chinese SOE. More often than not, state power determines the level of influence a TNC has on a host state.

Developing countries dealing with TNCs from the developed world do not start from a position of strength. They thread cautiously in their engagements in that any hostile activity against a TNC from any of the superpower is interpreted as being hostile to the superpower.

The rising number of TNCs in the developing world have both been hailed and alarmed especially in the wake of surging presence of Chinese SOEs in Africa and Latin America. The alarmists point to the exploitation of host countries and weakening their structures thereby hindering their development. Optimists suggest TNCs provide the technological, capital and entrepreneurial capacity to spur economic growth and reduce poverty. But the reality is that, the activities of TNCs in host countries are not necessarily good or bad: much depends on the conditions in the host countries and the ability of the host country to adopt coping mechanisms to assuage the negatives and maximize the benefits of hosting TNCs.

The European world-economy developed in leaps and bounds largely due to overseas expansion spearheaded by giant multinationals in the form of joint stock charter companies. These were commercial entities formed to exploit commercial opportunities overseas that enjoyed special privileges granted by the state under a royal charter. These hybrid (partly government and partly private) organizations were granted monopoly rights and cladded with state powers to enter into treaties with other states backed by the state military at a time when European states were relatively weak by world-historical standards. This phenomenon reflected the growth of European commercial activities with the Americas, Asia and Africa between 16th and 19th century helping European states acquire, control and dominate trade at the expense of rival powers. The English and Dutch East Indian Companies, Muscovy Company, Royal African Company and the Hudson's Bay Company are notable examples of these companies that traded goods and services transcending national boundaries but the English and Dutch East Indian Companies stood out and they were the leading commercial organizations of their time. The WIC and the Royal African Company were also crucial in the Atlantic dominance of the English and the Dutch. If there was any single factor that defined the European world-economy and the hegemony of the Dutch and the English in the Middle Age, it was the success of the joint stock charter companies. Their state-making and war-making functions were *sine quo non* in the expansion of the Dutch and the English in the East.

One can find a parallel between these "giants of earlier capitalism" (joint stock charter companies) and the Chinese SOEs today. If there is anything at all that distinguishes modern day Chinese SOEs and the European joint charter companies of the 17th and 18th century, it is the treaty making and war-making function of the latter.

While the West is gradually moving away from the state's role in the economy that defined the hegemonic trajectory the capitalist world-system has taken since the sixteenth century, the East is gradually adopting and implementing these so called "antiquated" principles in a way that conforms with their own developmental and foreign policy need. The West do not see any contradiction in discouraging state role in the economy and the key role the state played in the development of the European world-economy at a time when Europe was weak.

5.6 African Response

The response of African states to China's increasing engagement has been one of optimism. For the past decade, the continent has proven to be a good platform for Beijing's win-win model of economic cooperation. For most of these African states, China's recent economic transformation, climaxing its rise from a peripheral to a semiperipheral state in the world-system is a testimony that societies once under colonial exploitation can rise beyond the colonial economy (as producers of raw materials) to more advanced societies.

China's successful transition from a full-blown plan-economy to a market-economy has become an example to the developing world and Africa in particular (Xing, 2010:15). The increasing popularity of the "Chinese model" amongst developing countries has led to the theorizing of "Beijing Consensus" (Ramo 2004), a notion that has come to mean the distinctive attitude of the Chinese to development, politics and global balance of power (Xing 2010:15). China's state-level diplomatic engagement with African states based on "Mutual Benefit" and "Constructive Engagement" have resonated with Africans. African leaders see this as an opportunity to develop by their own effort with the help of the Chinese.

Although Deng Xiaoping once in an interaction with an African head of state in 1985 denounced the existence of anything like "the Chinese model" to emulate, noting the need for all nations to adopt growth driven policies in accordance with their own circumstance (Alden 200: 131). Some observers seem to agree with Deng's preposition that there is nothing like a “Chinese model” and any attempt by some observers to define such a model end up combining different and overlapping concepts (Power et al, 2012:124).

To argue that there is nothing like a coherent “Chinese model” is to greatly downplay the uniqueness of China’s economic transformation. A coherent prescriptive template may not be readily available for others to follow as in the case of Washington Consensus but the idea of China’s own experience and its success story in its quest to develop from a peripheral society to a modern one is an embodiment of the “Chinese model”. China’s dealings with Africa are simply the replication of China’s developmental experience (Brautigam 2009:47). For most African state, defying the strings and conditionalities associated with the IMF and World Bank is tantamount to the “Chinese model”, even though China has its own set of labor and procurement related issues. The Chinese model also relates to the ability of states to rise and escape the prescriptions of Anglo-American neo-liberalism (Stiglitz 2002:126) by adopting gradualist approach to liberalization of their economies. Stiglitz argues that the reason why China absolved itself from the worst effects (China experienced slow economic growth during the period) of the crisis is because China acted against the recommendation of IMF (Stiglitz 2002:126).

The content and pattern of China’s dealings in Africa reflects what worked for the Chinese in their quest for development (Brautigam, 2009:13). China was a peripheral agrarian economy by the end of the Second World War with a vast reserve of natural resources namely, copper, oil, coal and gold- similar to several Sub-Sahara African countries today. China bartered its natural resources for industrial technology from Japan in the wake of the Cultural Revolution. China signed similar agreement again in 1978, for a low interest loan facility of US$10 billion to finance the export of its modern plants and industrial technology and China was to pay back the loan with US$10 billion worth of coal and oil exports to Japan (Takamine 2006:7 cited in Brautigam, 2009:46). This followed an already existing pattern established by Japan in their dealings with India in the 1950s when Japan extended finance for the export of Japanese technology to develop the enclave of Goa, noted for iron ore mining. India agreed to repay the loan by exporting iron ore to Japan. In Japan, China found an ideal "development partner" engaging in a trading relationship that saw both sides win.

By the end of the 1970s, China signed over seventy-four of such deals with Japan to finance key projects. These contracts later served as the linchpin of China's development (Brautigam, 2009:47). Through their experience with Japan, the Chinese leant how their natural resources could be used as catalyst for development. China used Japan's interest in its oil to build transport and energy infrastructure and enhance their export capacity. China's dealings in Africa simply repeat patterns of its dealings with Japan (Brautigam, 2009:47).

Africa's long historical association with the capitalist world-economy has been on the basis of exploitative relationship based on slavery, imperialism and colonial domination. African resources have contributed immensely to the economic development of the capitalist world-system and the West, yet the region remains impoverished and underdeveloped. The existing structures of African economies still bear resemblance of the colonial economy with most African countries depending largely on natural resources or crops for a huge portion of their export earnings. Ghana obtains approximately 80 percent of its export earnings from oil and cocoa, Nigeria earns more than 90 percent of its export earnings from crude oil. Angola depends largely on crude oil exports, Zambia on copper, Sierra Leone on diamond, Ivory Coast on cocoa. While overreliance on mono-product has its own attendant economic problems such as balance of payment deficits, mono-product economies are also vulnerable to the vagaries of the world market.

The erratic nature of prices of raw materials and minerals means African government do not earn sufficient income to undertake developmental projects. As a result of disappointing economic performances, African countries relied heavily on IMF loans with its attendant draconian structural adjustment programs and conditionalities. These draconian neo-liberal policy prescriptions have not helped in anyway to ameliorate the despicable level of poverty in the region; rather, those policies have worsened the plight of these countries.

The arrangement that sees China provide infrastructure in return for African resources has created a convenient way of enabling Beijing to tailor its concessional finance to African countries' need for development finance. Africa ranks the lowest in most of the infrastructure indicators worldwide. The situation in low-income countries in Sub-Saharan Africa is even more daunting. Investment in infrastructure has not kept pace with demographic growth, generating a deficit gap over a long period. Most existing economic and social infrastructure in Africa were built during colonial period, which are now dilapidated due to neglect.

For African leaders, China's development finance has come at a time when traditional donors in the West have retreated from financing infrastructure projects on the continent. China is gradually filling the vacuum with its mega projects doted across the continent. According to World Bank estimates, China's development finance to the continent through China Exim Bank stood at US$ 12.5 billion in 2006 surpassing the total infrastructural finance advanced to Africa by the West. Some estimates have the Chinese Eximbank lending about US$ 67.2 billion to SubSahara Africa over a decade compared to the US$ 54.7 billion from World Bank with the same period (Chin 2012:216). This indicates that the Chinese Eximbank has funded US$ 12.5 billion more than the World Bank on the continent during that same period. While the World Bank loans are limited to funding small and medium scale enterprises, the China Eximbank's funding is largely for infrastructure development.

For the African consumer with largely a population on low-income (nine out of ten people are poor)[24], the affordable prices of Chinese manufactured goods, like textiles, clothing, electronics, and machinery make it possible to purchase goods they otherwise couldn't afford. Compared to other imports from other parts of the world, Chinese imports are cheaper and increasingly becoming popular across the

[24] In a survey conducted by Pew Research, at least nine-in-ten people were poor or low income in 2011. With Nigeria with almost 98% of the population being low-income earners or poor in 2011, and Kenya See,https://www.pewresearch.org/fact-tank/2015/09/23/seven-in-ten-people-globally-live-on-10-or-less-per-day/ accessed March 2019

continent[25]. Mohan's (2014:65) survey in both Nigeria and Ghana emphasized low prices as a key determinant factor in opting to purchase Chinese manufactured goods with the prices of these goods matching their purchasing power. It's worth pointing out that not all African consumers prioritize cheapness, there is an emerging class of middle-to-high-income earners who prioritize quality over cheapness.

But the negative effect of these cheap imports from China on local entrepreneurs is overwhelming. Particularly the retail and textiles sub-sector of African economies where Africans have difficulty in competing with cheap imports from China. The potential closure of local factories due to competition from Chinese imports with its attendant effect of unemployment may obliterate any kind of political influence and the broad-based support organized labor has. It is not surprising to see labor and trade unions in Ghana, Zambia and South Africa, Ghana as avid critiques of Chinese engagement (Mohan and Power, 2008:33).

Amid these increasing political and economic ties are concerns pertaining to the broader discourse of development such as China's policy of non-interference as assiduously promoting corruption, entrenching despotism and promoting human rights violation in Africa (Naim, 2007). But the West's insistence on Africa's adherence to the values and norms subscribed by the West as conditions for economic reward or aid has never been popular amongst African states. Most African states are uncritical about these policies as long as these policies translate into benefits. As a matter of fact, it is not even a

[25] Most Ghanaians interviewed revealed that price was the first motivation to purchasing Chinese imports. The low prices of the products particularly Chinese mobile phones (Tecno) has proven to be popular with Africans due to cheapness.

subject of internal discussion in either China or in Africa (Mohan and Power, 2008:35).

While the West have often preferred trade agreements such as African Growth and Opportunity Act (AGOA) of 2000, which gives African states limited entry to the United States market on condition that they liberalize, privatize, de-subsidize, de-regulate and as long as they do not act in a way that will me harmful to US interests (Sautman and Yan 2007). China on the other hand has since 1955 insisted on a policy of non-interference in its dealings with other countries. Its trade and investment policies in Africa have always been unconditional, with no strings attached. While the West engages Africa on the basis of Africa subscribing to their worldview and values, the Chinese deal with Africa on the basis of the latter's needs and aspirations.

The West has often focused on aid as an instrument of economic development and an effective way of reducing development gap between the rich countries and the poor. But it's an irony that capital flow from rich countries to poorer countries is just a fraction of what goes the other way. A research jointly conducted by Global Financial Integrity (GFI) revealed that in 2012, developing countries received US$ 1.3 trillion in aid and investments while income from these developing countries to the developed world stood at US$ 3.3 trillion that same year[26]. This means a total of US$ 2 trillion more was syphoned from

[26] Heckle, Jason (2017) Aid in reverse: how poor countries develop rich countries https://www.theguardian.com/global-development professionalsnetwork/2017/jan/14/aid-in-reverse-how-poor-countries-develop rich-countries downloaded on the 2018-07-18

developing countries to the developed world. The figure is even more staggering when we look at the data from 1980-2012. The net outflow adds up to US$ 16.3 trillion, approximately the size of the US economy[27]. These large payments consist of interests on loans to banks in London and New York and repatriated profits on investments abroad.

There is no doubt economic motives form the basis of the burgeoning relations between China and Africa in recent times. This should not be downplayed nor trivialized. Certainly, some aspects of China's investments behavior on the continent may not be good and in some cases even detrimental to the economic interest of African states. Nonetheless, the onus lies with African states to harness the potential in the China-Africa engagement.

5.7 Response of the West

China dealings in Africa has raised questions of significant proportion for the West especially as regards their ability to retain their once undisputed dominance in the continent. The most upsetting element of the Chinese ascent is the potential transmission of the "Beijing Consensus" to African states. The Chinese model, or the Beijing Consensus as Joshua Cooper Ramo has suggested has resonated with

[27] Heckle, Jason (2017) Aid in reverse: how poor countries develop rich countries https://www.theguardian.com/global-development professionalsnetwork/2017/jan/14/aid-in-reverse-how-poor-countries-develop rich-countries downloaded on the 2018-07-18

the global South and Africa in particular. What makes it appealing to these nations is the idea of localization and multilateralism as opposed to the all-purpose prescriptions of the Washington Consensus (Arrighi 2007:326).

Another source of apprehension in the West is the imminent military threat accompanying the rise of China. China's dealings are not viewed solely from the perspective of the country's engagement with the African continent but through the wider prism of great power politics. Its investment in modernizing its military to enhance its capabilities is seen as a threat to regional balance of power in Asia and a challenge to America's global dominance. China has moved to make its military presence on the continent felt in various military cooperation agreements with a host of African countries with a well-equipped military base in Djibouti. In fact, the United States Defense Department's assessment portrays China as a rival to US hegemony in East Asia and beyond (Council on Foreign Relations, 2006).

Washington's reaction to China's increasing importance in Africa has been one characterized by ambivalence. On the one hand, the United States response has been that China is undermining the economic interest of the West as well as impeding the gains made in inculcating democratic ideals in Africa hence needs to be actively countered. On the other hand, talk of common interest came to replace the language of confrontation on key issues such as resolution of conflicts. The United States sees China as an important partner in the resolution of conflict in Sudan.

The most recent Africa Strategy by the Trump administration is one focused on countering the "predatory" practices of China in Africa. The New Strategy for Africa unveiled by John Bolton at the Heritage Foundation in December 2018 characterized China's rapidly expanding engagements in Africa as a great power competition deliberately targeted at gaining competitive advantage over the United States (Heritage Foundation, 2018). For Bolton, China employs a range of instruments such as "opaque" agreements and investment ventures riddled with corruption to hold African states captive to its demands and obtain more political, economic and military power. (Heritage Foundation, 2018).

The New United States Africa Strategy is not all about Africa after all. It's all about China rather than enhancing the relations between Africa and the United States. Placing Africa relations within the framework of United States and China rivalry is wrong and its doomed to fail. It is only designed to further alienate African audiences by simply suggesting that they are pawns in a great power politics.

China is a legitimate actor in Africa whose engagement is having a massive impact on bridging the infrastructure gap and impacting positively on the life of the African peoples. Instead of being confrontational, Washington's recognition of China in addressing these key issues in Africa, would have given the United States more leverage to criticize those aspects of China's approach that deserve to be criticized and tailor innovative means to compete with China. The Chinese win-win mantra will still hold sway more than the Trump administration's confrontational message of "We care about you because we hate Beijing".

5.8 China's Lending to Africa

According to the World Bank, public debt in Africa increased from 37 to 56 percent of GDP on average between 2012 and 2016 with over two-thirds of these countries seeing more than 10 percentage point increase in their public debt relative to GDP, while one-third of the countries experienced an increase of more than 20 percentage points. Chinese loans to Africa have played a key role the rise. Between 2000 and 2017, China has lent at least US$143 billion to Africa (CARI 2019). Most of these loans are performing useful services by bridging the infrastructure gap in Africa. At least 70 percent of these loans have gone into solving perennial electricity problem and transport infrastructure problem in the continent.

While these loans are seen by Africans to be providing the useful purpose fostering economic growth and development, many observers, particularly in the West are becoming increasingly concerned about the potential implication of these loans on debt sustainability of African states. Some have suggested an impending debt crisis if African states do not keep to the debt threshold of 50 percent debt-to-GDP. The World Bank has recently moved to warn of a looming debt crisis and 18 African states (including Ghana) are at high risk of debt distress for surpassing 50 percent debt-to-GDP ratios (WorldBank 2018). The Trump administration has even gone a step further to characterized China's lending to African states as predatory: "use of debt to hold states in Africa captive to Beijing's wishes and demands" (Heritage Foundation 2018).

As part of the BRI, the government of Sri Lanka borrowed from China to build its Hambantota port. In 2017, the port had failed to attract the needed traffic and Sri Lanka could not pay its debts to China. The Sri Lankan government ceded the port to China for a period of up to 99 years. The transfer sparked fears of a "debt-trap diplomacy"- the idea that Beijing is deliberately doing this for strategic political and military gains. In May 2018, Malaysia declared their intention to renegotiate their contracts with China. In Africa, similar fears are coming out of Sierra Leone, Zambia, Kenya and Djibouti about their BRI projects, mulling the possibility of renegotiating the terms of their contracts with the Chinese. Ethiopia has just completed the restructuring of loans granted to it as part of the BRI.

The fears of "debt-trap diplomacy" may have been greatly exaggerated. As part of the BRI, the Chinese policy banks and the EximBank of China in particular has lent for over 1800 projects worldwide with varying degree of cost implications. So far, none of these projects examined has tried to gain a sort of strategic outcome (Brautigam 2019). Even in the case of the much-touted Sri Lankan case, the Chinese never sought to take control of the port. It was the suggestion by the Sri Lankan government that China takes over the port and the Chinese were not particularly impressed with the asset (Brautigam 2019).

It is true that China has given loans to Africa particularly over the past one and half decade. But the claim of China's lending, holding African nations captive or leading to a new era of debt crisis may have been exaggerated. China's lending only contributes around 20 percent of African government's external debt making it the largest creditor nation to the continent. Compared to the 35 percent of African debt held by IMF and World Bank and 32 percent to private lenders. Several studies have demonstrated that even among countries with the highest amounts of Chinese engagement, debt levels were not significantly altered by China's activities in Africa (Reisen and Ndoyes 2008). Chinese loans to African countries are based on the ability of a country to repay. Large loans are given to countries rich in natural resources that can serve as collateral. Smaller and countries less endowed in natural resources most often than not receive grants and zero-interest loans. Exceptions are the poorer countries where loans have been offered for profitable projects (like a wireless network), or where collateral exists (cocoa export revenues in Ghana; sesame seeds in Ethiopia) that can serve as a guarantee of repayment (Brautigam, 2009:185).

What the Hambantota case has succeeded in doing is serving as a wake-up call for African countries particularly those nearing unsustainable debt levels. With the Sri Lankan experience in mind, African governments are likely to negotiate BRI contracts more carefully with China.

5.9 Is China a Rising Imperial State in Africa?

The popular view in the West is that China has emerging as a new colonizer and imperial power of the region. More that 800 Chinese firms do business in 49 African states, with over 400 of them engaged in joint ventures with Africans (Alden, 2009). In addition to the deepening economic ties, there has been an influx of over a million Chinese migrants living and working in different parts of the continent. Consequently, African leaders have been cautioned against Chinese imperialism. During a visit to Zambia in June 2011, a former United States Secretary of State Hillary Clinton, accused China of 'new colonialism' in Africa and urged African leaders to subject Chinese investment to proper scrutiny to prevent obnoxious era of imperialism and colonialism from rearing their ugly head again[28]. Clinton's concerns resonate with many in the West. Chris Alden's (2007) description of China's engagement with Africa epitomizes Western sentiments when he characterized China's engagement in Africa as part of a long-term strategy to assume political control of African territories (Alden, 2007:6).

But the reality is that, China does not yet have such presence in Africa. Chinese banks, oil firms and construction companies do not have the kind of confidence and track record to act with impunity that characterized Western imperialism on the continent. Opening doors to Chinese loans and investments is not a phenomenon uniquely associated with Africa. The West and other developed core-states have also expanded economic ties with China to benefit from Chinese investments.

China's dealings with Africa are anchored on a broad scope of economic and diplomatic instruments designed to foster development

[28] Clinton made this remark when she visited Zambia in June 2011 as part of her Africa tour. See, 'Hillary Clinton warns Africa of "new colonialism"', Huffington Post, (11 July 2011), available at: http://www.huffingtonpost.com/2011/06/11/hillary-clinton-africa-new-colonialism_n_875318.html accessed December 2018

in Africa and open market avenues for Chinese SOEs. China today is adapting to twenty-first century Africa, matching the aspirations of the continent through a differentiation strategy (infrastructure loans, no political interference), which has found favors with the continent. The West might have achieved hegemony through global expansion based on conquest, colonial domination and imperialism but the Chinese may be on their way to achieving it with a different strategy.

The claim of Chinese imperialism in Africa is spurious and probably one that has all the accoutrements of fear, desperation and envy targeted at historical equalisation and not backed by any historical evidence. Such claims only depict the lack of understanding of Chinese history vis-à-vis its foreign policy.

The Chinese state since the bronze age had been surrounded by “barbarian” people of inferior culture (Fairbank 1942:132). At no time did they encounter an equal civilization. Japan, Korea, Annam all became affiliated to the Middle Kingdom through the process of acculturation. The tribute system was a natural expression of Chinese cultural supremacy. The Chinese empire grew by the acculturation of its external borders such that any “barbarian” who came into contact with China invariably becomes Chinese (Fairbank, 1942:132). The relationship between the Chinese emperor and the babarians came to symbolize the actual relationship between China as the center of culture and this formed the basis for the tributary system. The relationship between the barbarian and the emperor was by no means unilateral, it existed on reciprocal basis. It was the duty of the emperor to be compassionate and generous and the humble submission of the foreigner came in direct response to the imperial benevolence (Fairbank, 1942:132). The formalities of tributary presentation constituted a mechanism by which formerly barbarous regions outside the empire were initiated into the “Sinocentric cosmos” (Fairbank 1942:133).

The tributes offered to the imperial court did not constitute any gain to the Chinese center. They were meant to consist of symbolic offering, unique to the tributary country. Only locally produced items were allowed but occasionally included rare and sometimes strange items. There was little or no benefit to the imperial treasury in anything that a tribute mission presents. The value of the tribute objects was supposed to be balanced in theory but in most cases out-weighed, by the imperial gifts to the various members of the mission (Fairbank 1942:133).

In effect, what was meant to be a “tribute” ends up in a transaction, which enabled the Chinese center to “buy” allegiance of vassal states. The sustainability of this practice depended largely on the ability of the Chinese center to generate resources to buy the allegiance of its vassal states (Arrighi 2007:324). Rather than siphon resource from the vassals, the Chinese center invested in them.

CHAPTER 6

GHANA AND CHINA'S PURSUIT OF HEGEMONY IN THE WORLD-SYSTEM

6.1 Introduction

Ghana is one of the few countries in Africa China has courted since 1955 and subsequently became the only second Sub-Sahara African state to open diplomatic relations with China in 1960. Since independence in 1957, the Chinese have regarded Ghana as an ideological leader in Africa (Weistein, 1975) and used Ghana as gateway to Africa. To understand Africa's role in China's hegemonic aspirations, it is crucial to understand the nature and scope of a country-specific strategy of China. This part of the thesis focuses on the relations between Ghana-China and how the relationship developed in the *longue duree.* The strategic role of Ghana in the hegemonic aspiration of the Chinese will also be discussed.

6.2 China in Ghana- Historical Overview

Ghana emerged as the first Sub-Sahara African country to absolve itself from British rule in 1957. It soon established a formal diplomatic relation with the PRC in 1960. An informal interaction between Ghana and China even dates further. The first group of Chinese numbering a little over a hundred from Hong Kong sailing around the Gulf of Guinea in the 1940s went ashore on the Gold Coast when their ship ran into a mechanical problem. Having found the economic potential of the Gold Coast, they decided to stay and establish tobacco company (Ho, 2008: 9). While the Chinese state may not have been directly involved in these earlier encounters, these narratives reinforce the view that Chinese presence in Ghana is not a recent phenomenon, although that picked in the early decades after independence and more so in recent times.

The end of the Second World War occasioned a wave of upheaval and a clamor for political independence amongst the British colonies in the Third World. India led the way when their long struggle that began in 1857 came into fruition in 1947. India's lead paved the way for Ghana's independence in 1957. Ghana's independence came at a time when the world was engrossed in a Cold War- an intractable conflict between the US and the USSR with an incessant threat of the use of nuclear arsenals. The Cold War as the case may be in other Third World countries defined the foreign policy trajectory of Ghana in the first decade after independence and in fact, it defined both the failures and successes of the first president of Ghana, Kwame Nkrumah.

To understand Ghana's foreign policy under Nkrumah's presidency and China-Ghana relations in the years following independence, understanding Kwame Nkrumah's personality and his politics is key. Nkrumah had his education in both the United States (at Lincoln University and University of Pennsylvania) and United Kingdom (at LSE). His time in England proved to be a defining moment in his formative period in politics. Nkrumah joined forces with a group of African revolutionaries whose membership included individuals such as Jomo Kenyatta of Kenya and Nnamdi Azikiwe of Nigeria. Nkrumah became active in the West African Students' Union as well as the Pan African Congress and participated in the "communist-oriented" Manchester congress in 1945. Nkrumah's reading list included philosopher Kant, Max, Hegel, Descartes, Lenin, Feud and Nietschsche but the most important influence of all, according to himself is the work of Marcus Garvey whose book, *The Philosophy and Opinions of Marcus Garvey* published in 1923, had a profound impressing on him (Rooney, 2007:33). Nkrumah epitomized Marcus Garvey's ideals in his book, *Towards Colonial Freedom*, written during his formative years in the US and UK in the 1940s and published in 1960.

In his book, Nkrumah emphasized the inhumane nature of imperialism and colonialism and his uncompromising opposition to all forms of colonial domination. Nkrumah discussed the history of mercantilism and capitalism. Went on to commend Marxist-Leninist viewpoint as the framework of his analysis and extolled the pernicious nature of colonialism and imperialism and its propensity to exploit natural and human resources in periphery countries. Nkrumah was a self-professed Socialist and Pan- Africanist who believed in liberating the black race from the shackles of colonial domination and the unity of the black race. He was critical of the different forms of colonial systems operating in Africa, including the Trusteeship system inherited by the United Nations from the defunct League of Nations. Nkrumah considered the Trusteeship doctrine as mere extension of capitalist exploitation in order to perpetuate the thralldom of colonial territory (Rooney, 2007:36). His calls for racial equality and political revolution were congruent with China's position on Afro-Asian unity, which emphasized the need for Third World solidarity.

Both Nkrumah and China sought, in some form the establishment of a new world order to suit their respective interests (Chau, 2014:74). Nkrumah's ideological stance of anti-colonialism and socialist economic ideals are ideals unequivocally shared by the founding fathers' of the PRC. Nkrumah's ideological stance was instrumental in China's designation of Ghana as the "ideological leader" of Africa.

Nkrumah returned to Gold Coast in 1947 at the invitation of the United Gold Coast Convention (UGCC) the first political party, and became its secretary. He later in 1949 broke away to form the Convention Peoples' Party (CPP) that became the ultimate vehicle for Nkrumah's struggle against colonialism.

After gaining independence in 1957, Nkrumah made the creation of a modern unitary state, diversification of the Ghanaian economy and projecting Ghana's influence in West Africa and beyond as his topmost priorities. The relatively buoyant position of the economy enabled Nkrumah and his CPP to pursue vigorous policies at home and abroad. Donovan Chau argues that Nkrumah's support and interest in the liberation struggle of other African states led to Ghana's pursuit of China (Chau, 20014:77). But economic reasons may have also played a role in this regard. Nkrumah has maintained throughout his struggle for independence that, the attainment of political independence is not an end in itself but rather as a vehicle for socio-economic development. Once political independence was attained, economic independence was to follow and Nkrumah didn't shy away from using every opportunity to make a case for Ghana's economic development.

Nkrumah in one instance is said to have declared that Africa will not relent in its effort to modernize and that would be done either through the support of the West or the East (cited in Grundy, 1963:449). Nkrumah's vision to promote economic development and position Ghana as a major player in world politics influenced his decision to pursue China and the USSR while keeping ties with the British, French and the Americans (Grundy, 1963:449).

Prior to establishing diplomatic relations with Ghana, China first made contact in the most unlikely fashion-the use of art troupe. In March 1958, a Chinese culture acrobatic troupe was in Ghana for the first time to perform at an event to mark Ghana's independence. The troupe was in Accra again on the 16th of April that same year to perform at the conference organized by Nkrumah for Independent African States. China used the troupe to alter and shape perception of China to the outside world. The troupe has been to the Middle East and other parts of Africa on similar assignments. In September 1958, Ghana's representative at the UN, Ako Adjei voiced his opinion in support of China's admission to the UN. One cannot accurately determine the level of Chinese influence but by this singular action, Ghana has declared its political support to China (Chau, 2014:78).

On the 5th of July 1960, Ghana and China opened full diplomatic relations with both countries agreeing to exchange ambassadorial diplomatic representatives. By this action, Ghana has just become the only second black African country to recognize China following the example of Guinea.

At a ceremony in Accra on the 25th of August 1960 to submit his letter of credence, Ambassador Huang declared that defending Ghana's independence and opposing imperialist aggression remains a common goal shared by the two countries (Chau, 2014:80). President Nkrumah responded by expressing his appreciation to China and noted that he is glad to know that Ghana could count on China's support for its liberation struggle (Chau, 2014:80). Evidently, Ghana and China shared a common political interest that formed the basis of their bilateral relations from the onset.

In a speech at the fifteenth General Assembly Meeting of the UN on the 23th of September 1960, President Nkrumah called for China's admission to the UN to make the organization useful and effective in the delivery of its mandate. Nkrumah embarked on his first official state visit to China and held meetings with Chairman Liu Shaoqi and Premier Zhou Enlai. The two countries reaffirmed their shared history and common interest in the struggle against colonialism and imperialism.

By the end of 1962, Ghana was receiving development assistance from China. Protocols on economic and technical cooperation were signed to assist Ghana to build industrial projects and develop rice plantation, freshwater fishing and handicraft industries. In October 1962, China provided a loan for the construction of two arms factories meant to supply grenades and mines for freedom fighters. The funds were never used.

Premier Zhou Enlai arrived in Ghana in January 1964 as part of a 5-nation tour to Africa. During his stay, Enlai toured some government-run enterprises including a printing press and harbor where China maintained a political and strategic interest. At a dinner held on Enlai's behalf, Nkrumah reiterated Ghana's support for China's entry into the UN. Nkrumah also asserted, "the surest road to the welfare and happiness of the people lies in Socialism"(Chau, 2014:80). Although Nkrumah has professed his admiration for the ideals and values of Socialism throughout his days in the US and the UK, but his unequivocal declaration of Socialism as the surest way to go in his capacity as the President of Ghana clearly indicates Ghana's support for China's international political agenda.

The Premier's visit cemented Ghana within the sphere of China's influence in West Africa. Indeed, a United States Department report in 1960s listed Ghana alongside Angola, Algeria, Mali and Zanzibar as "critical points" vulnerable to Communist control. Although the report didn't directly point to China's influence in these countries, it is quite clear that this group of countries have been vocal in support of China and its policies across the continent. Most significant is the 13th April 1964 rally in Beijing to voice China's support for the people of South Africa in their struggle against the apartheid. The guest speakers included Malek Ben Nabi from Algeria and Miraji Mpatani Ali from Zanzibar.

China continued to communicate with the political leadership in Ghana and its economic assistance to Ghana continued unabated. China granted a loan of US$22.4 million to Ghana under the economic and technical cooperation agreement signed in 1964 (Chau, 2014:80).

From 1961 to 1963, China's economic assistance to Ghana exceeded the values of US$ 40 million. On the security front, China signed a secrete agreement to supply Ghana's "freedom fighters" military equipment and advisers. As part of the agreement, China was to train participants in guerilla warfare and the manufacturing and use of explosives. Chinese instructors arrived in Ghana in October 1964 for the training and remained in Ghana until Nkrumah was removed from power.

The programme attracted interest from Angola, Congo-Kinshasha, Cameroon, Malawi, Gabon, Niger, Nigeria, Tanzania and Zambia. After half a decade of formal diplomatic relations, Ghana has become as a base for China's strategic operations in Africa. Beijing used its embassies in Ghana and Algeria to facilitate support to various groups in Africa from the Sawaba opposition party in Niger to the training of Cameroonians in guerrilla tactics in China. According to an assessment by CIA, China used Ghana a base country for exporting revolution to West and Central Africa (Chau, 2014:80).

China's influence in Ghana was in a state of decline due to the complexity of the Chinese in the Algerian coup de tat in 1965. On 24th February 1966, Nkrumah was overthrown while on a trip to Beijing. The new leadership of the country chose a different trajectory for the country's foreign and security policy. In October 1960, the two countries severed diplomatic ties.

The coup-makers cited corruption, the Preventive Detention Act, Nkrumah's dictatorial tendencies, oppression of views of dissent and deterioration of Ghana's economy as reasons that necessitated

Nkrumah's overthrow. Nonetheless a CIA declassified document released in 1999 revealed the US government's complexity in the 1966 coup. In fact, the document further revealed that the US government wanted Nkrumah overthrown since 1964 due to his perceived overtures to the East. The coup undoubtedly altered the nature and character of Ghana's foreign policy especially in its relations with the perceived communist regimes of USSR and China. Hundreds of Russian's, Eastern Europeans and Chinese were expelled soon after the coup. The government moved rapidly to remove Chinese influence in Ghana by writing to the Chinese government requesting all technical experts working in the country to leave immediately.

The National Liberation Council (NLC) government continued its harsh policies towards the Chinese even after expelling their nationals and severing diplomatic ties with the Chinese government. In April 1966, the Ghana government accused China of sending substantial quantity of arms to Guinea to help Nkrumah overthrow the government in Ghana. In September 1966, a report by *Washington Post* revealed that the government of Ghana has notified China of its intent to renegotiate trade deals signed by the erstwhile Nkrumah regime. The renegotiation according to General Ankrah, would annul all aspects of the deals that were not in Ghana's national interest.

By 1970, the relations between the two countries were at its lowest ebb. China's influence in Ghana had waned and its use of Ghana as the base for all its African operations was no more. Ghana was a learning experience for China in the pursuance of their policies in Africa. If for nothing at all, the Chinese have learned the effect of political interference and the negative effect it has on bilateral relations. Ghana and China decided to restore diplomatic ties in 1972 after six years of hostilities. Both countries issued a joint communiqué on the 29th of February 1972 on resumption of diplomatic relations. Political upheavals in both countries meant that the relation between the two countries was significantly reduced relative to the Nkrumah era.

6.3 Drivers of Contemporary Ghana-China Relations

At independence, hopes were high and the economic prospects were bright. Ghana was relatively one of the richest countries in Sub-Sahara Africa and its position as the world's largest producer of cocoa firmly positioned the country on a path to economic development. Nkrumah's ambitious industrialization policies and some political decisions: the one party state, overtures to the East and a widespread discontent on the state of the economy led to his overthrow in 1966. Nkrumah's overthrow ushered in a two-decade of political instability in Ghana characterized by rampant and frequent coup d'états with their attendant economic decline. In 1981, Ghana committed itself to long-term economic and political reforms under the Structural Adjustment Programme of the IMF and World Bank to revive its ailing economy. After a decade of implementation, Ghana was declared an economic success story albeit it remained fragile and heavily dependent on donor support. By the year 2000, the neo-liberal policy prescription by the IMF could not revitalize the economy and Ghana was pronounced Highly Indebted Poor Country (HIPC) in 2001.

Ghana had to look beyond its traditional Western partners for inward FDI and China was one of destinations targeted by Ghana Investment Promotion Council's (GIPC) (Baah et al., 2009: 89). GIPC undertook several visits Mainland China and Hong Kong and opened offices in Shenzhen to court Chinese businesses to Ghana. GIPC activities may have partly facilitated the surge in Chinese FDIs to Ghana at the turn of the millennium. But the level of Chinese penetration into the continent in recent times and the strategic role of Ghana in China's Africa policy since the 1950s, one can only conclude that China's heightened foray to Ghana in recent times would have been inevitable, independent of GIPC initiatives.

China's brand of capitalism has produced an unprecedented high economic growth, but the supply for domestic energy is inadequate to sustain this level of growth. Its energy consumption has risen at an average rate of 6 percent yearly making it the world's largest importer of crude oil in 2017, exceeding that of the United States (EIA, 2018). The need to augment its natural resource supply resulted in the "Go Out" strategy at the turn of the millennium, which encourages outward investment and internationalization of Chinese firms. The initiative saw an intensification of Chinese-state sponsored commercial activities in Africa and particularly in "well-endowed" oil producing countries namely, Angola, Nigeria and Sudan. While Ghana may not be in the category of "well-endowed" oil producers on the continent, it does have its fair share.

In 2007, Ghana discovered oil offshore in commercial quantities in the Western coast of the Country. Since 2010, the Jubilee Field has produced an average of 120,000 barrels daily. Two new discoveries have been made; Tallow operated Tweneboa-Enyenra-Ntomme (TEN) and Sankofa field operated by ENI producing an average 50,000 barrels a day. The two discoveries together are expected to produce between 240-360 mmscfd (Mohan and Tan-Mullins, 2018:09). China has since intensified its commercial engagement with Ghana with trade figures reaching unprecedented levels.

To put this into proper perspective, before Ghana's discovery of oil, trade volumes between Ghana and China increased from US$ 93 million in 2000 to US$1512 million in 2008. In 2015, China became Ghana's largest trading partner and main source of FDI. Bilateral trade figures have risen from US$5.6 billion in 2014 to US$ 6.68 billion in 2017 with Ghana's export to China rising to US$ 1.85 billion[29].

Oil may have dominated discussion of China's interest in Ghana but oil is by no means the only natural resource in the country. The country also has a significant deposit of gold, diamonds, bauxites and manganese. Indeed, mineral resource extraction in Ghana is an age-old phenomenon. Indeed, Ghana has been an important player in mineral extraction and at one time became Africa's second-largest producer of gold, Africa's third-largest producer of aluminum and a significant producer of bauxite and diamonds (Amponsah-Tawiah & Dartey-Baah, 2011). China's investment in Ghana cuts across diverse natural resource endowment of the country and not limited to the oil sector.

[29] See, Remarks by Chinese Ambassador to Ghana H.E. Mdm. Sun Baohong at the 2016 GAW Book Festival. The speech is available on the embassy's website at http://gh.china-embassy.org/eng/dszl/dsjh/t1399631.htm accessed September 2018

There are four potential drivers of FDIs globally; cost-reducing, asset-augmentation, resource-seeking and market-seeking. In the case of Chinese FDIs in Ghana, resource-seeking and market-seeking are the two main drivers interwoven with complex packages involving loans for infrastructure development and aid. China channels 80 percent of these resource-backed loans through ExImbank of China, which are generally, regarded as concessional loans. Almost 50 percent of Chinese loans to Ghana have been through Exim with 32 percent funded through the Chinese Development Bank (CDB). 73 percent of these loans from China have been invested in Ghana's energy infrastructure. The hydroelectric dam at Bui, and the gas processing plant at Atuabo are the two major investments in the energy sector. The Bui dam was financed by concessionary loan from Eximbank of China and built by Sinohydo, a Chinese construction SOE. The gas processing plant in Atuabo was also financed by the CDB loan and built by one of the Chinese NOCs, Sinopec.

Ghana government officials are not oblivious to Chinese interests in Ghana. One of the senior government officials interviewed indicated that the government is looking to leverage its natural resources with development financing offered by China. According to him, Ghana-China engagement is a simple one: "Ghana has what China wants and China has what we want"[30]. Ghana has been a mining nation since 16th century and the traditional practice has been to grant mining licenses and offer concessions to companies and what government gets in return is a pittance as royalties and taxes for which concrete

[30] Author interview with Kwame Appiah of the Ministry of Finance, Ghana in February 2018

benefits have not been attained[31]. “Mortgaging our natural resources for development infrastructure is the surest way we can benefit from the untapped resources we have”[32].

Scanning through the global landscape, development finance or infrastructure finance is on the declined, “World Bank’s infrastructure finance has declined and even if they sometimes do, they come with stringent conditions, Europe’s economic Partnership Agreement doesn’t offer you what you want, Africa Growth and Opportunity Act (AGOA) is another which we don’t benefit from. The only option is do deal with China”[33].

For Ghana, China’s “development model” offers an inspiration. Ghanaian leaders see this as an opportunity to develop by their own effort with the help of the Chinese. On his recent state visit to China, the president of Ghana, Akuffo-Addo remarked that Ghana is inspired by the Chinese model of development and trying to replicate same through the "1 District, 1 Factory” industrialization policy”[34].

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[31] Author interview with Sefa Aboakye , a business man in Accra, March 2018

[32] Author interview with Samuel Attah in Accra, February 2018

[33] Ibid

[34] The president of Ghana in a speech at the FOCAC Summit in Beijing available at http://www.ghana.gov.gh/index.php/news/4970-ghana-inspired-by-china-s development-model-president accessed on the 10th of September 2018

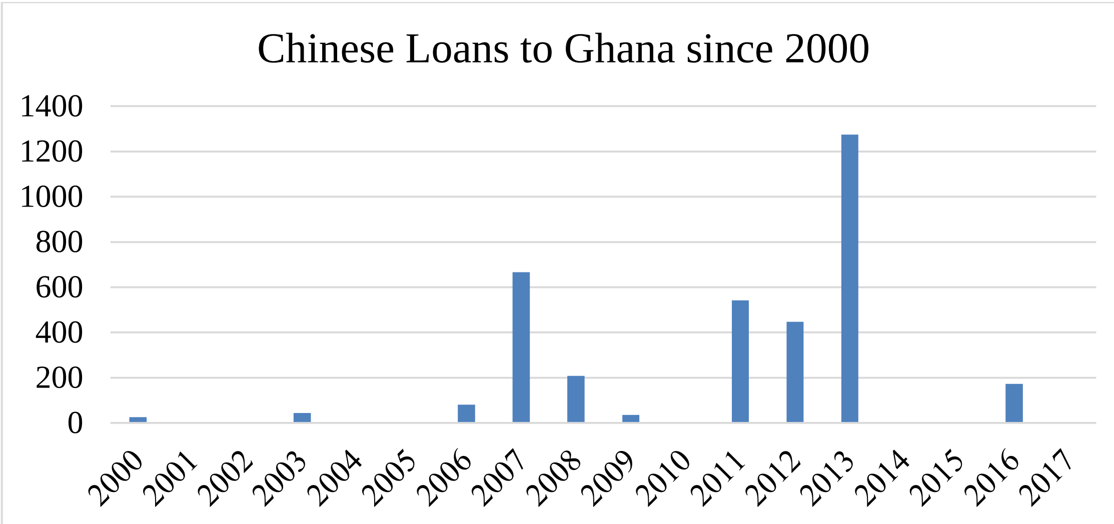

Figure 5: Chinese Loans to Ghana since 2000, Source:CARI

My interviews revealed some key factors from the perspective of Ghanaians that account for Ghana's increased engagement with the Chinese. First, infrastructure finance deficit of US$2 billion annually is required to bridge the development infrastructure gap and China has expressed its readiness to provide loans to finance these projects, which the World Bank and IMF are unwilling to finance. Ghana's vice president John Mahama (later became president) in a speech in Beijing in April 2012 on signing a China Development Bank (CDB) loan facility of US$3 billion revealed that the IMF and World Bank advance loans and credits to shore up reserves and solve balance of payment problem and Ghana is now looking to invest in economic and social infrastructure to move the country to the next level which is difficult to find in the West[35].

[35] https://www.bloomberg.com/news/articles/2012-04-16/ghana-signs-1-billion-loan-with-china-for-natural-gas-project accessed on the 19th of September 2018

Table 3: Chinese registered projects in Ghana

GIPC YEARLY REGISTERED PROJECTS ON SECTORS BY CHINESE ONLY FROM 2012 TO 2017			
YEAR	**SECTOR**	**NO. OF PROJECTS**	**FDI US$**
2012	BUILDING & CONS.	4	2,206,999.99
	EXPORT TRADING	4	910,000.00
	GENERAL TRADING	16	16,969,366.99
	MANUFACTURING	13	3,147,402.80
	SERVICES	13	6,768,981.83
	TOURISM	6	845,202.73
2013	BUILDING & CONS.	12	118,451,529.32
	EXPORT TRADING	2	5,343,000.00
	GENERAL TRADING	17	21,296,881.69
	LIAISON	1	900,000.00
	MANUFACTURING	9	11,294,396.21
	SERVICES	8	5,678,309.80
	TOURISM	4	1,865,000.00
2014	GENERAL TRADING	1	1,038,160.90
	MANUFACTURING	13	1,111,357,916.70
	SERVICES	4	499,647,596.00
	TOURISM	2	1,848,004.19
2015	BUILDING & CONS.	5	94,687,425.30
	EXPORT TRADING	1	57,000.00
	GENERAL TRADING	4	11,390,513.00
	LIAISON	1	265,000.00
	MANUFACTURING	12	67,122,989.00
	SERVICES	2	3,609,865.58
2016	AGRICULTURE	1	1,000,000.00
	BUILDING & CONS.	2	2,209,000.00
	EXPORT TRADING	0	-
	GENERAL TRADING	5	19,297,374.68
	LIAISON	1	475,000.00
	MANUFACTURING	19	275,217,000.00
	SERVICES	8	3,330,449.27
	TOURISM	0	-
2017	AGRICULTURE	1	6,710,000.00
	BUILDING & CONS.	1	500,000.00
	EXPORT TRADING	0	-
	GENERAL TRADING	14	25,113,658.91
	LIAISON	1	110,036,256.00
	MANUFACTURING	17	71,853,601.68
	SERVICES	4	18,704,059.50
	TOURISM	0	-

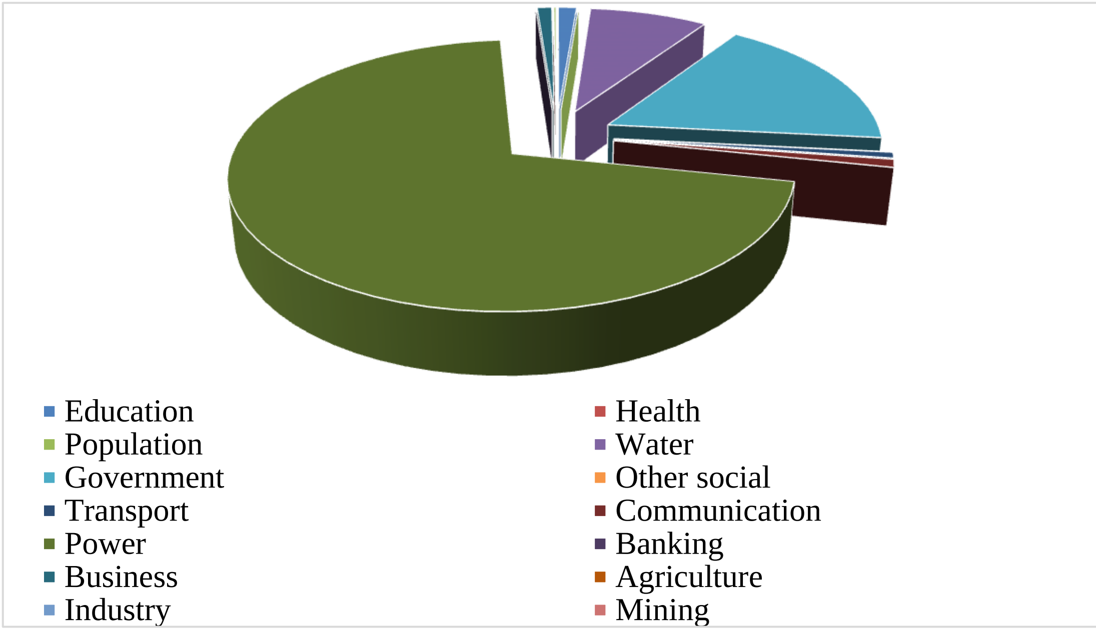

Figure 6: Chinese Loans to Ghana by sector

Source: Data from CARI

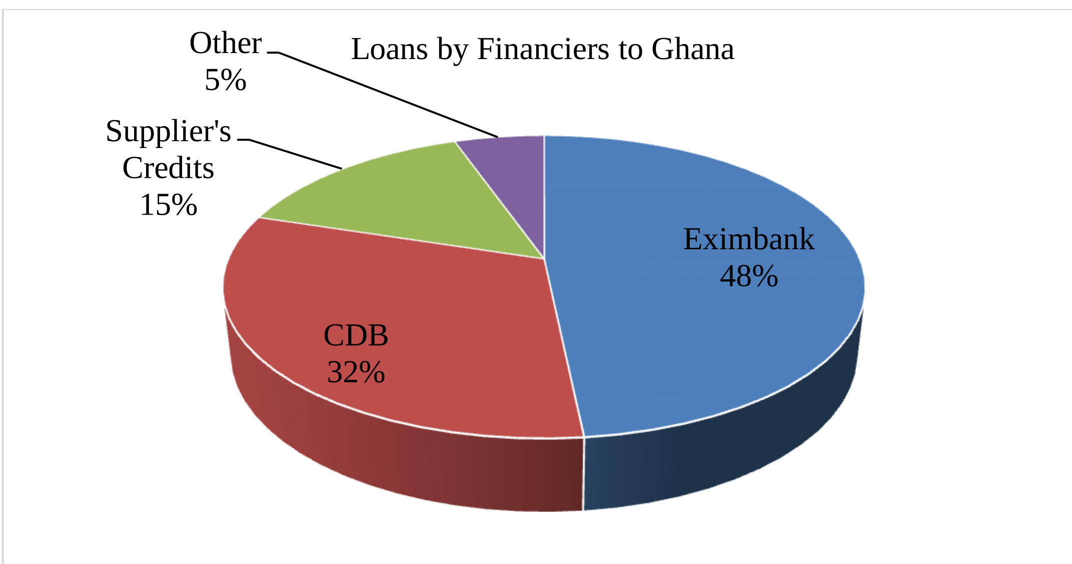

Figure 7: Chinese loans to Ghana by financiers.

Source: Data from China-Africa Research Initiative.

President Mahama's statement echoes the general view shared by government officials and academics interviewed. One academic described the partnership between Ghana and China as a "win-win and beneficial to the two parties". "China is financing projects all over the country: the Defense Ministry building, Bui dam, Cape Coast stadium, Atuabo gas project and not to talk about the latest US$3 billion loan Ghana just secured for infrastructure development in exchange for Ghana's bauxite"[36].

Ghana has long been dependent on donor support for its developmental projects. The World Bank and IMF have dominated Ghana's financial architecture since 1970s but very little to show for in terms of its contribution to infrastructure development. These institutions have too often "forgotten the most basic lessons of development, preferring to lecture the poor and force them to privatize basic infrastructure, rather than to help the poor to invest in infrastructure and other crucial sectors"[37]. As the World Bank clings to its ineffective ideology, China is providing practical solutions to developing countries in key areas of energy and road infrastructure, which are two critical investments in any modern economy[38].

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[36] Interview with Emmanuel Mensah, University of Ghana, Accra, February 2018

[37] Jeffrey Sachs, "China's lessons for the World Bank" may 2007 available at https://www.theguardian.com/commentisfree/2007/may/24/chinaslessonsfortheworldb

[38] Ibid

The perception among Ghanaian public officials is that Chinese investments are genuinely serving the needs of the country especially in the provision of energy infrastructure, which they see as critical for development.

Second, While loans and development finance from the West is characterized by stringent conditionalities, China's development financing comes with little or no conditions. Where conditionalities exist, they usually come in the form of engaging the services of Chinese firms in executing projects funded by China, procure equipment from China and the use of Chinese expertise. Many of the people interviewed believed the respect and mutual beneficial relationship China accords Ghana makes the East Asian nation a viable alternative to the West. China has always maintained through its official communication, its policy of non-interference and a relationship based on respect and mutual benefit. They continue to emphasize that their African counterparts are equal and sovereign that must be treated with respect.

Third, one sector that has seen a remarkable growth in Chinese FDIs is the manufacturing sector in Ghana. Chinese manufacturing FDIs to Africa and Ghana in particular are mainly market-seeking. Between 2005-2017, Ghana attracted 219 (See, table 2) manufacturing-related FDIs from China registered to engage in small to medium-scale manufacturing of plastics, steel making, paper and cartons, suitcases and bags. While inward FDIs to Africa are at all-time high, only a few countries have received significant increases in manufacturing FDIs. Ghana is among only six countries (Mozambique, South Africa, Nigeria, Zambia, and Ethiopia) in Sub-Sahara Africa to receive the vast majority of manufacturing FDI between 2011 and 2014 (Chen et al, 2015:17).

The increasing number of these FDIs originate from China while manufacturing investment from the West have shrank in the last decade. Ghanaians have welcomed these investments in the manufacturing sector as capable of transforming the structure of the economy otherwise reliant on the export of raw natural resources. While manufacturing FDIs have potential for job creation and modernizing local production, it can also lead to a deterioration in balance of payment through repatriation of profits since market-seeking FDIs often make less revenues from exports (Chen et al, 2015:17).

I discuss three major projects that have defined the relationship between China and Ghana in recent years. Unraveling the details of these projects will help us understand the level of China's commitment to Ghana and the motives behind these deals. Typically of Chinese funded projects around the world, these projects are not bounded by conditionalities that have characterized borrowing from the West. Nonetheless, it is the expectation of the Chinese that these investments would lead to strengthening political and economic ties with the recipient country. The exact conditions of these deals frequently remain opaque, neither the Ghanaian side nor their Chinese counterparts are willing to release documents and details of the contracts making thorough analysis difficult.

6.3.1 Hydroelectric Power Dam at Bui

The Bui Dam is the first and foremost largest project funded by the Chinese in Ghana. In fact, it is the largest funded project by any foreign capital in Ghana since the construction of the Akosombo Dam circa 1960s. The Bui Dam is a multi-purpose-dam constructed on the Black Volta River in Western part of Ghana primarily for electricity generation and irrigation scheme for agricultural development. The dam has a projected capacity of 400 MW, only outpaced by the Akosombo Dam with a capacity of 1,020 MW. Together with the Kpong Dam, the Bui Dam and Akosombo Dam are Ghana's only hydroelectric power stations and they together account for more than 50 percent of Ghana's total installed capacity of 2,936 MW.

A British-Australian geologist and naturalist, Albert Ernest Kitson first proposed the Bui gorge as suitable for a dam in 1925. Since then, the site has been a subject of many feasibility studies and by 1978, plans were far advanced with the support of the World Bank and Australia for work to commence. Nonetheless, political instability as a result of coups and counter-coups prevented the commencement of the project. Sustained campaign by environmentalist against the construction of hydro dams gained momentum in the early 2000s and as a result, the World Bank withdrew its support for the project.

The Chinese government expressed its willingness to fund the project in 2005 and by 2007, an act of parliament (Bui Power Act 740) established the Bui Power Authority to plan, execute and manage the project. Construction begun in 2009 by Sino Hydro, a Chinese SOE construction firm and the first generator of the dam was commissioned in 2013. The project was one of the first major investments undertaken by Chinese SOEs in Ghana.

The project was financed by hybrid credit facility: a concessional loan of US$ 263.5million at 2% interest and a commercial loan (buyer's credit facility) of US$ 298.5million both by the China Exim Bank, which effectively rivals the World Bank. The project was partly financed by the government of Ghana's own resources of US$ 60million. According to the Bui Power Authority, the project cost was envisaged at US$ 622 million but other unforeseen costs of essential works on power line and reservoir clearing meant that the total cost stood at US$ 790million.

Typical of most Chinese government funded projects across the continent, the government of Ghana guaranteed the Exim Bank loans with the sale of cocoa beans. Revenues from the sale of electricity will be used to repay part of the loan.

Table 4: Bui Dam Finance Plan, Source: Bui Power Authority

Concessional loan	US$ 263.5 Million
Buyers Credit	US$ 298.5 Million
Sub Total	**US$ 562.0 Million**
Government of Ghana Counterpart Funds	US$ 60.0 Million
Total Projected Cost	**US$ 622.0 Million**

Figure 8: The Bui Hydroelectric Dam

Source: Bui Power Authority

This arrangement between the Ghana and China is the first of it's kind and it represents not only the changing nature of Ghana-China relations but also Ghana's relations with its traditional Western-based financial institutions such as the World Bank and IMF. The hybrid nature of the funding; concessional loans and buyers' agreement demonstrates the flexibility and innovative nature of China's development financing scheme that involves the use of different instruments. Resource-backed deals, mostly preferred by the Chinese offer guarantees on repayment of loans and minimize the risk of default on. On the part of Ghana and other natural resource endowed countries, natural resource-backed deals guarantee the provision of economic and social infrastructure and a way of navigating away from "resource-curse".

The significance of this deal for Ghana goes beyond the 400 megawatts of electricity the Bui Dam adds to the national grid to augment electricity production to enhance economic growth. It sets the tone for future engagements with China. In China, Ghana has now found a preferred source for development finance and the Bui Dam is a prelude to a host of loans of Ghana will start assessing from China purposely for infrastructure development.

For the Chinese, the Bui Dam project fits into their political and economic interest in Ghana. Politically, China agreed to fund this project in the wake of increasing international criticism and condemnation of its engagement with rogue states in Africa. Its dealings in Angola, Sudan and Zimbabwe have come under the microscope. China's dealings with these countries with underwhelming human right and good governance records is seen as rolling back the gains made in the fight against repressive regimes and promoting good governance on the continent. China's engagement with Ghana, by far one of Africa's established democracies, China's 'image' of doing business in Africa is greatly enhanced. China points to its relations with Ghana in support of its denial of engaging only rogue states in Africa. Economically, within the context of its "go out" strategy, through which the Chinese government encourages Chinese SOEs to move overseas in search of markets and long-term engagements, the Bui project provided the platform for the penetration of Sinohydro, a Chinese construction SOE into Ghana and the wider West African market. Sinohydro and other Chinese firms are penetrating the

Ghanaian market and Africa more broadly, openly competing for tenders and outbidding Western firms with the support of the Chinese government (Power, et al, 2012:151).

6.3.2 Atuabo Gas Project

Ghana became an oil producing country in 2007 after the discovery of oil near the Western region of Ghana. A presidential commission was tasked to review and make recommendations on how the oil can contribute to national development. Their recommendation led to the creation of the Ghana Gas Company, tasked to build and manage all things related to natural gas production and distribution in Ghana.

In 2010, Ghana secured a US$ 3 billion loan facility from the China Development Bank (CDB) to develop oil and gas infrastructure and rehabilitation of transportation network. US$ I billion of the loan facility was for the construction of a gas processing plant in Atuabo. The loan was secured on non-concessional basis and Ghana was to raise 15 percent of the total amount while CDB provided the remaining 85 percent.

The US$ 3billion loan was to be paid at London Interbank Offered Rate plus 2.95 percent with an upfront fee of 0.2 percent and commitment fee of 1 percent per year. Part of the loan (US$ 850 million) was to be paid through collateralization of Ghana’s oil and Unipec, a subsidiary of Sinopec signed an off-taker agreement with GNPC to initially lift 13,000 barrels of crude oil daily for 15 years with the proceeds deposited in an escrow account for debt servicing. The terms of the loan also mandated not less than 60 percent of the proceeds to be used to procure Chinese content.

The Atuabo Gas Project was officially completed in 2014, a year behind schedule. The delay was largely due to the slow disbursement of the CDB loan. The government of Ghana was frustrated with the slow disbursement and in July 2014, the government cancelled half of the US$ 3 billion as well as the infrastructure projects associated with the loan. The collapse of a portion of the deal is due to institutional and regulatory constraints, local politics, fiscal and external challenges (Chen, 2016).

The project is of strategic importance to Ghana's energy independence. Ghana for several years has been importing gas from Nigeria via the West African Gas Pipeline (WAGP). The unreliable nature of supply from Nigeria and frequent repairs of the gas pipelines has led to repeated gas shortage in the country. The situation has forced government to purchase thermal generators for use. The high cost of running the thermal plants makes the Atuabo gas project imperative and offers the country a route to ameliorating its frequent power outages.

The deal guarantees China access to uninterrupted supply of 13,000 barrels of oil daily for a period of 15 years. The US$ 3 billion facility also meant that three Chinese SOEs: Sinopec secures the contract for construction of the facilities, Unipec signed off-taker agreement to lift oil, SAF, also a subsidiary of Sinopec for procurement purposes. This deal allows the penetration of Chinese SOEs in Ghana's oil and gas sector. Especially when its attempt to enter into the sector via the purchase of stakes from Kosmos Energy has proven unsuccessful.

Figure 9: Atuabo Gas Plant, Source; Ghana Gas Company (2018).

6.3.3 Sinohydo Corporation's Infrastructure for Bauxite Deal

The government of Ghana in May 2018 agreed to a US$2 billion Master Project Support Agreement (MPSA) deal with Sinohydro Cooperation agreed to build priority social and economic infrastructure; roads, bridges, hospitals and housing as part of the government's plan to lower the infrastructure deficit and boost economic growth. Ghana will in return repay Sinohydro with proceeds from the sale of refined bauxite. The projects are scheduled to start by the end of 2018 but repayments will be made in equal installments over a 12-year period[39]. The government has hailed the deal as innovative and out of the box thinking. In a speech at the 2018 edition of Ghana's Economic Forum on the 5th of September, the vice president, Mahamudu Bawumia noted that the Sinohydro agreement with the government will address the infrastructural problems with the provision of affordable housing, rural electrification hospitals, bridges, interchanges and roads[40].

The details of the agreement remain sketchy and government has not been forthright in communicating the terms of the deal to Ghanaians. But details emerging from Parliament of Ghana and other civil society

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[39]A report by Bloomberg news outlet https://www.bloomberg.com/news/articles/2018-09-10/ghana-on-hook-for-2-billion-china-deal-if-bauxite-plan-stalls accessed December 2018

[40] A speech my the vice president of Ghana available at Available on the government of Ghana website at http://presidency.gov.gh/index.php/briefing-room/news-style-2/812sinohydro-arrangement-is-innovative-outside-the-box-thinking accessed June 2018

groups as public debate over the deal rages on, indicates that Sinohydro will secure funds from International Commercial Bank of China (ICBC) for the infrastructure projects. In return, the government of Ghana is mandated to open an escrow account into which proceeds the sale of bauxite will be paid into for the purposes of servicing the $2 billion debt[41].

One of the critical issues debated is whether the deal constitutes barter or a loan agreement. The government has insisted its "agreement with Sinohydro is barter, a new financing model for Ghana, hence will not add to the public debt"[42]. The opposition National Democratic Congress (NDC) on the other hand argues that all the terms and conditions of the agreement provided to them for debate and approval in parliament constitutes a loan agreement and that is consistent with terms and agreements of the US$3 billion CDB loan agreement when the NDC signed when in government. In fact, the NDC has written to the IMF seeking clarification on this matter. But does it really matter if the agreement amounts to barter or a loan? This is why the issue is more than a mere semantics; Ghana is in its final year of a US$918 million credit deal with the IMF in 2015 and must meet benchmarks including lowering its public debt to successfully exit the programme in December 2018. If the Sinoydro deal constitutes a loan agreement, this

[41] Press conference by the minority spokesperson on finance, Atto forson, available at https://citinewsroom.com/wp-content/uploads/2018/09/Revised-sinohydro-deal-a-loan-not-a-barter.pdf. Accessed June 2018

[42] Ken Ofori Atta, Ghana's Finance Minister Mid-Year Fiscal Policy Review of the 2018 Budget Statement to the Parliament on 19th July, 2018

means an addition of US$2 billion to the national debt stock and Ghana will not be able to complete the IMF programme.

That also means Ghana's debt will rise above 70 percent of gross domestic product (GDP) approaching debt distress level. The deal will allow Ghana more room for borrowing and timely completion of the IMF program if it's classified as barter arrangement. Ghana has now completed the IMF program and Sinopec has started constructing the needed infrastructure for Ghana.

Through these deals in the most important industries in Ghana's economy, China has succeeded in replacing the United States as the most important economic partner of Ghana. Chinese TNCs/SOEs in Africa and Ghana present both opportunities and challenges. The increasing engagement between the continent and China means these SOEs will increasingly continue to play a major role in Africa and Ghana going forward. Chinese SOEs have embarked on acquisition of major stakes in natural resources and market share across the continent. Whilst this practice of acquiring stakes in energy installations and natural resources has been one of the major trends in Chinese activities on the continent especially in resource endowed countries such as South Africa, Zambia, Nigeria, Angola and Sudan, the Chinese SOE activities in Ghana is mainly in the area of resource for infrastructure or compensatory trade.

This by no means indicates a deliberate strategy on the part of the Chinese to avoid purchasing stakes in Ghana's natural resource landscape. In October 2010, CNOOC in partnership with Ghana National Petroleum Corporation (GNPC) failed in a US$5 billion bid for

23.5 percent stake of American TNC (Kosmos Energy) in the Jubilee Oil Field in Ghana. The deal would have seen the Chinese SOE play a key role in the Ghana oil sector dominated by American TNCs. It is not clear why Kosmos energy rejected the bid considering that the offer was US$1 billion more than the initial bid it accepted to sell to ExxonMobil (another American TNC). A second bid by CNOOC and BP was also rejected in March 2011.

The Chinese have always had their eyes on Ghana's natural resource sector dominated by Western TNCs. These Western TNCs more often than not do not want to relinquish their stakes in one of the most stable investment destinations on the continent. Hence do not have any motivation to sell their stake. Even if they do decide to sell, preference is given to TNC's of Western origin. For the West, any sale of stakes to any Chinese firm will play into the narrative that the Chinese are supplanting the West in Africa.

The increased role of Chinese SOEs in Ghana's economy has occasioned a wave of Chinese migration to the country. Although the migration of Chinese people to Ghana is not recent; many Chinese people have been living and working in Ghana since the Mao era, engaging in retail trading and small to medium scale manufacturing. However, the dramatic rise in China's investments in Ghana in recent times have occasioned a remarkable rise in Chinese migrants to Ghana. The vast majority of them engage in a number of sectors namely; retail trade businesses, fishing, timber logging, manufacturing and small-scale mining. Chinese government's incentives and publicity as to the availability of business opportunities available for Chinese businesses in Africa may have facilitated the influx of Chinese migrants to Ghana with SOEs, small businesses and even unskilled labourers recognizing the need to move to the continent (Alden 2009:65).

The net effect of the onslaught of Chinese migration is the competition with the locals in the retail sectors of the economy, which by law are reserved for the locals. This often stirs up xenophobic attacks, racism and anti-Chinese sentiments. The textile sector in Ghana was greatly affected by Chinese competition, displacing thousands of factory workers as a result of the intense competition from cheap textiles from China. The Chinese competition in the textile industry and its attendant effect on jobs and de-industrialization has generated anti-Chinese sentiments in Ghana.

Illegal activities of some Chinese migrants have also threatened to eclipse the gains of China's burgeoning relations with the continent. Hundreds of Chinese migrants engaged in illegal mining of gold in Ghana popularly known in the local parlance as *galamsey*. By the laws of Ghana, small-scale mining is only reserved for Ghanaians. The Chinese, with the technical knowledge of mining and the ability to raise funds from banks in China for the purchase of heavy-duty machinery engage the services of Ghanaians as partners in other to circumvent the law. The effect of this is numerous joint businesses between Ghanaians and the Chinese with the latter having no legal basis of ownership.

The effect of Chinese involvement in the *galamsey* is the devastating effect on the environment through the pollution of streams and water bodies and the clearing of forest and agricultural lands[43]. This elicited widespread condemnation and anger from local chiefs. In 2013, an Inter-Ministerial Task Force was established by the government of Ghana to bring sanity into the areas affected and stop the rapidly expanding sector dominated by the Chinese. A couple of months later, about five thousand Chinese nationals were deported back to China for engaging in illegal mining[44]. This singular decision by the Ghana government to deport Chinese nationals involved in *galamsey* resulted in a diplomatic rancor that impacted the political economy of Ghana-China relations.

Amidst the prospect of Ghana securing the first tranche of a US$3 billion loan from the China Development Bank for infrastructure development, it increasingly became clear that the disbursement of the US$3 billion had stalled due to Ghana's crackdown on the illegal activities of the Chinese. The government was forced to look elsewhere to explore other sources of funding for infrastructure projects, which otherwise would have been financed by the truncated US$3 billion Chinese loan agreement.

[43] See a news report on the effect of Chinese illegal mining on the environment in Ghana https://www.ghanaweb.com/GhanaHomePage/NewsArchive/Galamsey-pollution-destroying-water-bodies-in-Ghana-Water-Company-521174 accessed April 2019

[44] The former minster of lands and forestry revealed that the government of Ghana deported 5000 Chinese due to illegal mining activities. Available on https://www.ghanaweb.com/GhanaHomePage/NewsArchive/NDC-deported-over-5000-foreigners-for-illegal-mining-Inusah-Fuseini-663905 accessed April 2019.

CHAPTER 7

CONCLUSIONS

The study is about Africa's role in hegemony making in the world-system with particular emphasis on China-Africa relations. As detailed in the above chapters, SubSahara Africa has a longstanding relation with the capitalist world-economy since it emerged in the sixteenth century. I argued that African resources have not only contributed to the development of the world-economy but also played a critical role to the making of the Dutch, British and United States hegemony. Once again, African resources will play a critical role in the Chinese ascent to hegemony in the world-system.

As Wallerstein suggested, the *modus operandi* of the capitalist world-economy is ceaseless capital accumulation from the periphery to the core based on unequal exchange (Wallerstein, 2000:254). The system is made of a multi-centric interstate system and balance of power, a mechanism designed to ensure that no nation-state is capable of achieving imperium. The only way a nation-state can dominate and command a leading position is by achieving hegemony in the world-system. The efficiency of firms domiciled in such a state constitutes the material base of hegemony (Wallerstein 1980:45, 2000:255).

The ability to extract greater part of economic surplus from the periphery is the most distinguishing factor between the attainment hegemony or not. Thus, the capacity of a state to outcompete or outsell rival powers is not limited to the rivals own home market but also in the peripheral zones, where the greater part of the world surplus value resides. The Dutch, British and United States achieved hegemony in the world-system not because of their efficient deployment of factors of production or by the extraction of surplus from the European periphery but largely due to exploitation of non-European peripheries and SubSahara Africa in particular. The contribution of the African periphery to each of the three instances of hegemony making is remarkable.

African gold proved vital in the Dutch ascent to hegemony in the seventeenth century. Gold from Africa was the primary source of gold coin production in the United Provinces, playing a critical role in the rise of Amsterdam as the financial capital of Europe (Rodney 1981:83). For much of the seventeenth century, the Dutch controlled the western coast of Africa displacing the Portuguese as the leading slave traders. The Dutch were not particularly interested in slave trading in the early years of the trade. The acquisition of parts of northern Brazil in 1630 made the Dutch immediately take steps to pursue the trade in slaves to supply labor to their sugar plantations (Rodney 1981:83). The Dutch could not have accomplished anything in Brazil without African slave labor. African slaves, thus, became indispensable to the economic interest of the Dutch in Brazil. The Dutch attained hegemony largely due to the ability to extract resources from the Asian and African peripheries through the East and West India companies.

Britain attained hegemony in the nineteenth century primarily due to the exploitation of African resources, both human and material. African slaves were bought with British manufactured goods; these slaves were then transported to work on plantations, processing of produce from these plantations led to the creation of new industries in Britain. The profits obtained from the Atlantic commerce were fundamental in the accumulation of capital, which financed the Industrial Revolution in England (William 1944). The labor of African slaves and the raw materials they produced made the growth and development of the Atlantic commerce possible (Inikori 2002:486). Without privileged access to the Atlantic, the British quest for industrialization would have suffered a major setback. It is, therefore, reasonable to conclude that Africans have played an instrumental role in the making of the British hegemony in the nineteenth century.

United States hegemony in the twentieth century was achieved through the overwhelming production of cotton for foreign commerce, of which African slaves were vital. Cotton production in southern states rested entirely on the labor of African slaves. American economic development up to mid-nineteenth century depended on the export of cotton to Britain (Rodney 1982:87). Textile remained the most important manufacturing sector of the US economy through the early 1930s, until it was replaced by steel and iron. Africa's contribution to the United States hegemony was not limited to the cotton industry in the nineteenth century but also extended to the realm of raw material production. Throughout the colonial era, the United States was the chief destination for the entire economic surplus generated in the African periphery (Rodney 1982:191).

While the Dutch, the British and the United States became truly hegemonic at different epochs of the world-system, the mode of surplus extraction from the African periphery can hardly be distinguished:

capitalism and militarism, driven by interstate competition, fostering development and economic empowerment for the peoples of Europe and the resultant underdevelopment and disempowerment of the people of Africa and their descendants (Arrighi 2007:95). Access to resources from non-European peripheries and Africa in particular was vital not only to the development of the capitalist world-economy but also hegemony making in the world-system. Once African states become colonies, they were subjected to economic exploitation: incorporation of smallholder farmers into the production network of tropical products for world trade, access to cheap and forced labor and the pillage economy through which concessionary companies raked off a share of crops without paying anything in return (Amin 2006:95). Such mode of incorporation proved catastrophic for the peoples of Africa. The process delayed any attempt at agrarian revolution by a century in that it made possible the extraction of surplus from labor and land without making any investment in modernizing them (Amin 2006:95).

A cover story in May 2000 edition of *The Economist* labeled it "The Hopeless Continent". This image of Africa is the culmination of its long-standing relations with the West. A relationship, which has endured through the vestiges of slavery and colonialism to contemporary times. The relationship has been largely predicated on economic interest, hegemonic rivalry and the desire to impose Western ideals targeted at transforming African societies to mirror that of the West. The ominous conditions in Africa underscores the failure of Western-led neoliberal policy prescriptions.

A new version of development of underdevelopment ensued at the onset of the 21st century, couched in much more erudite terms and perpetuated by the IMF and the World Bank, which, through their neo-liberal policies, have generated and propagated underdevelopment of the continent. Since 1981, these two institutions have been deeply involved in restructuring of the economies of African states targeted at eliminating so-called market distortions and opening African economies to FDIs as well as the privatization of inefficient parastatals. Much of these IMF and World Bank policies ushered in an era of "political conditionalities" of rule of law, democracy, transparency and good governance, the absence of which according to them, is the cause of the continent's underdevelopment. This new diagnosis of Africa's problems and the policy prescriptions of IMF and World Bank did not bring about any change in fortunes of the continent its people, rather, they were ineffectual and the consequences of which is the characterization of Africa as the "hopeless continent".

In December 2011 edition of *The Economist,* Africa's image as the "hopeless continent" had been replaced with the proclamation of "Africa Rising". A wave of FDIs into the continent have begun to impact positively on economic growth thereby transforming Africa's image from one ravaged by disease and conflict to one filled with optimism and prospects for businesses. The Chinese have played a bigger role in the new image of Africa, becoming the continent's largest trading partner and source of FDI. Chinese businesses are becoming permanent features of the African economy supplanting Western dominance.

China's increased dealings in SubSahara Africa has come at the post-hegemonic phase of the United States; lost its productive efficiency, its commercial and financial superiority are in a state of decline, its military power is no longer invincible and no longer able to dictate to its European and Japanese allies. As Paul Kennedy argued, the ability of a state to exercise and sustain hegemony in the world-system ultimately depends on their productive efficiency (Kennedy, 1989). China is the closest competitor to the US in terms of productive efficiency. In fact, China has a thin edge over the United States and its Western competitors in productive efficiency[45]. Although there are a preponderant number of states like India, Brazil and Russia with increasing relevance in the world-economy, China is by far the most superior. China's rise is different and is not likely to suffer the fate of Asian tigers like South Korea, Japan and Taiwan who have been vassal states of the United States. The challenges the rise of China presents with its huge population, is on a different scale to that of the other Asian tigers.

Yet again, African resources are playing a key role in the rise of a state to hegemony in the world-system. The need to have unimpeded access to energy resources and raw materials from peripheral states has been a critical part of China's "go out" strategy in Africa since its inception at the turn of the millennium. Despite being one of the leading producers of a wide range of natural resources, China's natural resources demand surpassed domestic sources and as a result, China has become a significant importer of minerals such as of iron ore, cobalt, copper, nickel, petroleum, chromium and even in commodities such as tin, in which it is the leading producer (Alves, 2013). Beijing had to

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[45] According to a research conducted by Brookings, China is the largest source of manufacturing output and the percentage of its national output that is generated by that sector. Available at https://www.brookings.edu/research/global manufacturing-scorecard-how-the-us-compares-to-18-other-nations/ accessed June 2019.

look beyond its boarders to augment its local production to sustain economic growth. While the Middle East is still the most significant source of oil and natural resource for China, the African periphery is increasingly becoming importance source of supply to sustain economic growth, which is critical to China's upward mobility to attaining core status and subsequent hegemony in the world-system. The strategy adopted by the Chinese in this regard is to acquire African natural resources through an independent and integrated energy and security model that will insulate and protect the main source of supply (Taylor 2006:942). This is achieved either by securing the rights of exploration or through long-term contracts involving a mixture of packages including large-scale concessionary loans to promote infrastructure development in Africa (Taylor 2006:942). This entry strategy is evident in most oil producing countries in African namely; Algeria, Angola, Chad, Congo-Brazzaville, Niger, Nigeria, Mauritania, and Sudan. Where a complete take-over bid fails, as in the case of China's failed bid to Kosmos Energy for a stake in Ghana's oil, the Chinese use a blend of financial instruments consisting of off-taker agreements to guarantee access to the supply of oil.

While guaranteed access to African resources is key to China's hegemonic aspiration, access to African market for Chinese SOEs is equally important. With a population the size of US and Europe put together, Africa is proving to be an important destination for Chinese SOEs, serving as *"spatial fix"* for Chinese manufactured goods. Through the "go out" strategy, the Chinese government fosters closer relationship with African states, creating market for Chinese firms. This is part of government's strategy to create a group of Chinese SOEs capable of rivaling their counterparts globally (Mohan, 2014).

Preponderant number of these Chinese SOEs are dominating the landscape of African economies and their ability to outsell, outbid, outsupply and outproduce their Western counterparts makes them overwhelming favorites in terms of capturing the African market (Alden 2007:154). The relatively lower cost Chinese firms charge as opposed to Western ones and the dedication of Chinese labor force, who have demonstrated their ability to work for longer hours, in order to complete projects makes them appealing to policy makers.

Building a strategic coalition of states in the global South and Africa in particular to counter the dominance of the West is also critical to China's hegemonic ascent. The Chinese have since the 1950s emphasized the importance of unity and solidarity amongst states in the global South with limited success. China's economic resurgence is contributing positively to its call for unity amongst the global South to counter Western dominance. The annual FOCAC summit is one of such ventures aimed at rallying African states in support of China's aspirations. The question of Taiwan is central to this part of China's engagement with Africa. The Chinese government has succeeded in courting the support of African states in support of its "One China policy" and as such, only the Kingdom of ESwatini (formally Swaziland) supports Taiwan's claim as a sovereign state today.

By serving as a repository for raw materials, market for Chinese SOEs/manufactured produce and building a strategic coalition of states from the global South, Africa is contributing to the hegemonic aspirations of China. Without guaranteed access to resources from the African periphery, China's hegemonic aspiration is likely to suffer similar set-back which characterized it's stagnation in the seventeenth, eighteenth and nineteenth centuries. The most significant difference between the development trajectory taken by the West and China in the previous 500 of the world-system has been the West's privileged access to resources from non-European periphery and Africa in particular, while China was surrounded by a less endowed periphery (Pomeranz 2000). China's unimpeded access to the flow of resources from the African periphery puts it in a good position to lead the inter-state system as the hegemonic power of the day.

China is using its economic superiority to bend other countries to its will, expanding its military capabilities and intensifying its global reach to Africa to guard its investments and to ward off challengers. It has also invested immensely in educational and cultural programs in Africa to improve its soft power. China has become the world's second most popular destination for foreign students, welcoming more than 440,000 students from over 200 countries annually (Mastro 2019). Many of these students receive support from the Chinese government. While this emerging pattern of China's strategies in Africa are reminiscent of earlier rising hegemons in the West, their modes of capital accumulation from the African periphery are distinctly different. China employs a wide range of mechanisms involving incentives in the form of finance for infrastructure development as opposed to the West's ceaseless territorial expansion based on conquest, colonial domination and imperialism.

The legacy of China-centered tributary system that regulated relations between states in East Asia before their incorporation into the world-system remains a feature of China's foreign policy. China's incorporation into the world-economy is a recent event and cannot obliterate the principles and shared understanding of interstate relations amongst East Asian states (Arrighi, 2007:324). The attributes of the Chinese center's relations with its vassals are manifested in their dealings with Africa today.

China's rise to hegemony, if it does happen will probably be the first time a state has risen through the ranks defying the logic of capital accumulation by investing in the periphery through provision of credible way of sustainable development they never had under Western hegemony. China's differentiation strategy of win-win approach, political noninterference, soft-power play, and working closely with regime elites has immensely contributed in persuading African governments and making China a dominant player on the continent. China doesn't only exploit the continent; it invests in it as well.

China is arguably the true winner of the precipitous decline of the United States hegemony with increasing influence in East Asia and beyond. Its charm offensive to Africa is within the context of the need for a rising power to guarantee the flow of economic surplus from the periphery. The guarantee that a rising power gets resources rather than others puts it in a good position to lead the interstate-system. Africans may need China for its development going forward but China definitely needs Africa more for her development and for the attainment of hegemony in the world-system (Li Anshan 2006:10).

As the presence of China in Africa intensifies, the implications for Africa and Ghana in particular are humongous. What accounts for Ghana's burgeoning relations with China is the understanding amongst Ghanaian policymakers of what Ghana can get from the

Chinese and that is not peculiar to only Ghana- access to development finance has formed the basis of most African countries' engagements with China. This doesn't only tell us much about Africa's need for development finance but also reveals the real state of Ghana's ties with its traditional so called development partners. The research shows that although Ghana's relations with its traditional Western partners remain largely intact, yet, there is shifting focus of interest to China chiefly due to the development assistance and concessionary loans the Chinese offer, which are badly needed to revamp social and economic infrastructure.

What increased Chinese engagement may have brought to Africans is that it gives Africans a certain degree of maneuverability in negotiations. Africans now have an alternative development partner they can resort to and this can potentially strengthen their hands in negotiations. The presence of the China as an alternative is a big win for Africans. For Africans, the Chinese option delivers concrete economic and social infrastructure. African policy makers and Ghanaian officials in particular, are optimistic about Chinese investment in the economy as key to transforming the structure of the economy. This is partly because, Chinese FDIs are in sectors of the Ghanaian economy that has been left underdeveloped and abandoned by Western capital. Nonetheless, to the ordinary Ghanaian textile manufacturer and petty trader negatively affected by Chinese competition are less optimistic of the presence of the Chinese. Chinese small businesses in Africa are in many ways displacing local entrepreneurs because; the Chinese products turn to be cheaper than locally manufactured products.

Many observers have speculated the role of Africa in their interaction with the Chinese. Do African states exert some sort of influence in their dealings with the Chinese or is it the case that African states are passive actors in engaging the Chinese? The general view is that African states are passive actors when dealing with the Chinese. The reality is that China has Africa strategy; a coherent foreign policy strategy in dealing with Africans. But Africa doesn't have a China strategy; most African governments dealing with China are on the bases of framing their policies strategies to fit into the Chinese strategies so as to take advantages of these Chinese sponsored projects. The seeming lack of preparedness on the part of African states to engage in a robust negotiation with their Chinese counterparts often results in structural asymmetry in their engagements.

Whether China will eventually become the next hegemonic power or China becomes one of the leading states in a multipolar world is a forecast beyond the scope of this study. What is certain is that access to African resources and market will yet again prove decisive in the next hegemonic sequence if the current world-system where to survive.

But the success or failure of China's continued dominance in African will largely depend on the conduct of Chinese businesses and migrants living on the continent. Clearly, Ghanaian government's fight against Chinese illegal mining in Ghana has put a strain on China-Ghana partnership and a massive step backward in their economic relations. The future of China's relations with Africa will be shaped by the experiences of both Africans and the Chinese migrants in African societies.

The study sought to investigate the role of Africa in the world-economy since its inception and the potential role Africa and Ghana in particular stand to play in the rise of the Chinese to achieving hegemony in the world-system. The Ghanaian case alone cannot be construed as indicative of what pertains in Africa in general. However, the Ghanaian case may reveal some aspects of China's engagement with Africa, which bear resemblance to the general activities of the Chinese across Africa. Future studies on China-Africa relations need to look at other African states as case studies to fully understand China's hegemonic aspirations and the role African states stand to play.

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APPENDICES

A. CURRICULUM VITAE

PERSONAL INFORMATION

Surname, Name: Adams, Mohammed Sanusi
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EDUCATION

Degree	Institution	Year of Graduation
PHD	METU IR	2019
MS	METU IR	2014
BA	UG, GHANA	2009

WORK EXPERIENCE

Year	Place	Enrollment
2015- Date	Balkan Analysis.com	Editor/Contributor
2012-2015	American College, Ankara	Instructor
2009-2010	Parliament of Ghana	Research Assistan

FOREIGN LANGUAGES

Advanced English, Fluent Turkish

HOBBIES

Football, Tennis

B. TURKISH SUMMARY/ TÜRKÇE ÖZET

AFRİKA'DA ÇİN: KAPİTALİST DÜNYA SİSTEMİNDE HEGEMONYACI BİR GÜCÜN YÜKSELİŞİ

Bu tez, Afrika'nın Çin'in hegemonyacı arzularındaki rolünü, Immanuel Wallerstein'ın öne sürdüğü kapitalist dünya ekonomisinin daha geniş çerçevesi içerisinde incelemiştir. Bu, mevcut Çin-Afrika ilişkisinin, on altıncı yüzyıldaki başlangıcından bu yana dünya sisteminde hegemonya yapımında Afrika'nın rolünü araştırılarak aşılmasını gerektirmiştir. Bu çalışmada gösterileceği üzere, Afrika kaynakları kapitalist dünya ekonomisinin gelişiminde sadece önemli bir rol oynamamış, aynı zamanda dünya sisteminde şimdiye dek görülen üç hegemonyacı gücün (Hollanda, İngiliz ve Birleşik Devletler) yapımına da katkıda bulunmuştur.

Çin'in Afrika ile uğraşı yeni bir mesele değil; birkaç yüzyıl öncesine uzanan bir süreç. Ancak, Çin'in Afrika'ya karşı ekonomik ve siyasi ilgisi oldukça yeni ve belki de en önemlisidir. 2009'da Çin, Birleşik Devletler'i geride bırakarak, Afrika'nın en büyük ticari partneri haline gelmiş ve 2000'de 200 milyon ABD doları olan ticaret hacmini 2014 yılında 220 milyar ABD dolarına ulaştırmıştır. 2013 yılında Çin'in Doğrudan Yabancı Yatırımları'nın (DYY) neredeyse yüzde 4'ü Afrika'ya aktarıldı - aynı yıl içinde Birleşik Devletler'in Afrika'ya aktardığı DYY oranı yüzde 1'den daha azdı (Gadzala 2015:xvi). 2000-2017 arasında Çin, Afrika ülkelerine 143 milyar ABD dolarının üzerinde borç vermiştir. Eylül

2018'de Çin, Pekin'deki Çin-Afrika İşbirliği Forumu (FOCAC) zirvesinde Afrika'ya kalkınma yardımı konusunda 60 milyar ABD doları tutarında bir taahhütte bulundu.

Kıta ile bu benzeri görülmemiş düzeydeki ekonomik ilişki, Afrika'da bulunan eşit orandaki diplomatik varlık ile örtüşmektedir. Çin'in şu anda, Birleşik Devletler'in 50 büyükelçiliğine kıyasla toplam 54 Afrika ülkesinden 51'inde elçilikleri bulunmaktadır. Çin aynı zamanda, Birleşik Devletler'de bulunandan daha fazla sayıda Afrikalı üniversite öğrencisine ev sahipliği yapmaktadır. Çin'in dünya çapında Çin dilini ve kültürünü destekleme aracı olan Konfüçyüs Enstitüleri, Afrika üniversitelerinde yaygın hale gelmektedir. Üst düzey resmi devlet ziyaretleri, Afrika'da bulunan yerleşik Çinli toplulukların belirgin varlığı sayesinde şu aralar neredeyse her ay gerçekleştirilen bir etkinlik haline gelmiştir. Çin ve Afrika arasındaki iş birliği alanı kalkınma iş birliği, siyasi, kültürel, ticari, askeri ve Afrika ekonomisinin farklı sektörlerinde yatırımı kapsayacak şekilde çok yönlüdür.

Wallerstein'ın öne sürdüğü üzere, kapitalist dünya ekonomisinin icra şekli, eşitsiz mübadeleye dayanan sürekli bir şekilde çevreden merkeze doğru oluşan sermayenin birikimidir (Wallerstein, 2000:254). Sistemin siyasi üst yapısı, devletler arası bir sistemde faaliyet gösteren bir dizi egemen devlet tarafından tanımlanmaktadır. Devletler arası sistemin işleyiş kuralları, tek bir devletin dünya sistemini tek bir dünya imparatorluğuna dönüştürme kapasitesine sahip olmamasını sağlamak üzere tasarlanmış bir mekanizma olan güç dengesini içerir. Bir ulus-devletin ekonomik, siyasi, askeri ve diplomatik arzularını ve kurallarını büyük ölçüde uygulayabilmesinin tek yolu dünya sistemde hegemonya konumuna ulaşmaktır. Bu gücün maddi temeli, bu güçteki firmaların üretim, ticaret ve finans alanlarında daha verimli çalışabilmelerinde yatmaktadır. Verimlilikteki üstünlük, işletmelerin yalnızca diğer rakip güçlerde yerleşik olan işletmelerle değil, aynı zamanda rakip güçlerin iç pazarlarındaki birçok durumla da rekabet edebilmeleridir (Wallerstein 1980: 45, 2000: 255). Verimlilikteki üstünlük aynı zamanda, çevrede bulunan diğer rakip güçler ile rekabet üstünlüğü sağlama kapasitesine sahip güç içerisinde yerleşik olan girişimler sayesinde, dünya ekonomisinin çevre bölgelerine doğru genişlemektedir. Çevreden daha büyük bir artı değer parçası elde edebilme yeteneği, dünya sisteminde hegemonyaya ulaşıp ulaşamama arasındaki en belirleyici faktördür. Bu nedenle, bir devletin rekabet ettiği güçleri geride bırakma ya da onlardan daha fazla satabilme kapasitesi, yalnızca rakiplerin kendi iç pazarlarıyla sınırlı değildir, aynı zamanda dünya artı değerinin büyük bir bölümünün bulunduğu dünya ekonomisinin çevre bölgelerini de kapsamaktadır. Hollanda, İngiltere ve Birleşik Devletler, üretim faktörlerinin etkin bir şekilde konuşlandırılmasından ya da artı değerin Avrupa çevresinden elde edilmesinden dolayı değil, büyük ölçüde Avrupa dışı çevrelerin ve özellikle de Sahra Altı Afrika'nın sömürülmesi sayesinde dünya sisteminde hegemonyaya ulaşmışlardır. Afrika çevresinin, her bir hegemonya yapımı örneğine katkısı dikkat çekicidir.

Afrika altınların, Hollanda'nın on yedinci yüzyılda hegemonyaya yükselişinde yaşamsal öneme sahip olduğu kanıtlanmıştır. Afrika'dan gelen altın, Birleşik Eyaletler'deki altın madeni para üretiminin ana kaynağıydı ve Amsterdam'ın Avrupa'nın başkenti olarak yükselişinde kritik bir rol oynadı (Rodney 1981: 83). On yedinci yüzyılın büyük bir bölümünde, Hollandalılar, önde gelen köle tüccarları olarak Portekiz'i geride bırakıp Afrika'nın batı kıyısını kontrol eder duruma gelmişlerdir. Hollandalılar, ticaretin ilk yıllarında köle ticareti ile özellikle ilgilenmemişlerdir. 1630 yılında Brezilya'nın kuzeyindeki bölgelerin satın alınması, hemen ardından Hollanda'nın şeker tarlalarına iş gücü sağlamak amacıyla köle ticareti yapmaya yönelik adımlar atmasını sağlamıştır (Rodney, 1981: 83). Hollandalılar, Afrika'nın köle iş gücü olmadan Brezilya'da hiçbir şey başaramazlardı. Bu şekilde Afrikalı köleler, Hollandalıların Brezilya'daki ekonomik çıkarları için vazgeçilmez hale geldi. Hollandalılar büyük ölçüde, Doğu ve Batı Hindistan şirketleri aracılığıyla Asya ve Afrika çevrelerinden kaynak çıkarma kabiliyetleri sayesinde hegemonyaya kavuştu.

İngiltere esas olarak, on dokuzuncu yüzyılda hem insan hem de maddi olarak Afrika kaynaklarını sömürülmesi sayesinde dünya sisteminde hegemonyaya ulaşmıştır. Afrikalı köleler, İngiliz malları ile satın alındı; bu köleler daha sonra tarlalarda çalışmak üzere taşındı ve bu tarlalardan elde edilen ürünlerin işlenmesi Britanya'da yeni endüstrilerin kurulmasını sağladı. Atlantik ticaretinden elde edilen bu kar, İngiltere'deki Sanayi Devrimi'ni finanse eden sermaye birikimine temel oluşturmuştur (William 1944). Afrikalı kölelerin iş gücü ve ürettikleri hammaddeler Atlantik ticaretinin büyümesini ve gelişmesini mümkün kılan unsurlardır (Inikori 2002: 486). İngiliz sanayi ürünlerinin üretiminde ve satışında hammadde ve pazar kaynağı olarak Atlantik'e ayrıcalıklı erişim olmasaydı, İngiliz sanayileşme arayışı büyük bir çöküntü yaşayabilirdi. Bu nedenle, Afrikalıların on dokuzuncu yüzyılda İngiliz hegemonyasının yapımında araçsal bir rol oynadığı sonucuna varmak makuldür.

Yirmi birinci yüzyılda Birleşik Devletler hegemonyası, Afrikalı kölelerin hayati bir rol oynadığı dış ticaret amaçlı aşırı pamuk üretimi sayesinde sağlandı. Güney eyaletlerindeki pamuk üretimi tamamen Afrikalı kölelerin iş gücüne dayanmaktaydı. On dokuzuncu yüzyılın ortalarına kadar Amerikan iktisadi kalkınması, İngiltere'nin endüstriyel zenginliğinin dayandığı İngiliz tekstil endüstrisine pamuk tedarikine bağlıydı (Rodney 1982:87). Amerika'nın dış ticareti açısından on dokuzuncu yüzyıl boyunca pamuk mutlak kraldı. Tekstil, 1930'ların ilk yılların boyunca -ta ki yerini çelik ve demirin almasına kadar- Amerikan ekonomisinin en önemli üretim sektörü olarak kaldı. Afrika'nın Birleşik Devletler'in hegemonyasına katkısı on dokuzuncu yüzyıldaki pamuk endüstrisi ile sınırlı değildir, aynı zamanda hammadde üretimi alanına da genişlemiştir. Sömürge dönemi boyunca Birleşik Devletler, Afrika çevresinde elde edilen bütün artı değerin başlıca gittiği yer olmuştur (Rodney 1982:191).

Hollandalılar, İngilizler ve Birleşik Devletler modern dünya sisteminin farklı dönemlerinde gerçek anlamda hegemonya durumuna yükselirken, Afrika çevresinden artı değer elde etme şekli pek değişkenlik göstermemektedir: devletler arası rekabetin teşvik ettiği, Avrupa insanı için kalkınma ve güçlenmeyi sağlayan ve buna karşılık Afrika halkı ile onun soyundan gelenler için azgelişmişlik ve güçsüzleşmeye yol açan kapitalizm, endüstrileşme ve militarizm (Arrighi 2007:95). Özellikle Avrupa dışındaki çevre bölgelerinden ve Afrika'dan gelen kaynaklara erişim, yalnızca kapitalist dünya ekonomisinin gelişimi için değil, aynı zamanda dünya sisteminde hegemonya yapımı için de hayati öneme sahipti. Afrika ülkeleri sömürge haline geldikten sonra ekonomik sömürüye maruz kaldılar: küçük işletmelerdeki çiftçilerin dünya ticareti içinde tropik ürünler üretim ağına dahil edilmesi, ucuz ve zorla elde edilen iş gücüne erişim ve imtiyazlı şirketlerin karşılığında ödeme yapmadan mahsul payını düşürdüğü yağma ekonomisi (Amin 2006: 95). Kapitalist dünya ekonomisine bu şekilde oluşan katılım biçimleri, Afrika halkları için felakete neden olmuştur. Süreç, emek ve toprağın modernleşmesine herhangi bir yatırım yapılmadan artı değer elde edilmesini mümkün kılarak bir yüzyıl boyunca tarım devrimine yönelik herhangi bir girişimi erteledi (Amin 2006: 95).

Economist'in Mayıs 2000 sayısındaki kapak öyküsü Afrika'yı "Umutsuz Kıta" olarak nitelendirdi. Afrika'nın bu görüntüsü, Batı ile uzun süredir devam eden ilişkilerinin doruk noktasıdır. Kölelik ve sömürgecilik izleriyle çağdaş zamanlara dayanan bir ilişki. Bu ilişki, büyük ölçüde ekonomik çıkar, hegemonyacı rekabet ve Afrika toplumlarını Batı toplumlarının bir yansımasına dönüştürmeyi amaçlayan Batı ideallerini empoze etme arzusuna dayanıyordu. Soğuk Savaşın sona ermesinden bu yana Batı'nın yalnızca sınırlı ölçüde ilgisini çeken Afrika'daki kaygı verici koşullar, Batı'nın neoliberal politika reçetelerinin başarısızlığını vurgulamaktadır.

21. yüzyılın başlarında yeni bir versiyonu ortaya çıkan, çok daha net bir şekilde ifade edilen ve Uluslararası Para Fonu (IMF) ile Dünya Bankası'nın neoliberal para politikaları ile sürdürülen azgelişmişliğin gelişmişliği kıtanın azgelişmişliğini doğurdu ve bunu yaydı. 1981'den bu yana, bu iki kurum piyasa bozukluklarını ortadan kaldırmayı, Afrika ekonomilerini DYY'ye açmayı ve aynı zamanda kamu harcamalarını azaltarak verimsiz durumda olan kısmi devlet kuruluşlarını özelleştirmeyi hedefleyerek Afrika ekonomilerinin yeniden yapılandırılmasında etkin rol oynamıştır. IMF ve Dünya Bankası'nın bu politikalarının birçoğu demokrasinin, hukukun üstünlüğünün, şeffaflığın ve iyi yönetişimin "siyasi şartlılık" olduğu ve kendilerine göre bunların olmaması durumunun kıtanın azgelişmişliğine yol açtığı bir

dönemde ortaya çıkmıştır. IMF ve Dünya Bankası'nın Afrika'nın sorunlarına dair bu yeni teşhisi ve politika reçeteleri kıta insanlarının kaderlerinde herhangi bir değişiklik meydana getirmemiş aksine bütün bunlar etkisiz kalmış ve kıtanın "ümitsiz kıta" olarak nitelendirilmesinin sonuçları olmuşlardır.
The Economist'in Aralık 2011 sayısında, Afrika'nın "ümitsiz kıta" olarak imgesi, "Yükselen Afrika" ilanı ile değiştirilmiştir. Kıtaya yönelen doğrudan yabancı yatırım dalgası, ekonomik büyümeyi olumlu yönde etkilemeye başlamış ve bu sayede Afrika'nın imajını, sürekli olarak dış yardıma ihtiyaç duyan çatışma ve hastalık dolu bir kıtadan işletmeler için fırsatlarla dolu bir kıta haline getirmiştir. Çin, kıtanın en büyük ticaret ortağı ve doğrudan dış yatırım kaynağı olarak Afrika'nın bu yeni görüntüsünde daha büyük bir rol oynamıştır. Çinli işletmeler, Batı egemenliğinin yerini alarak oldukça hızlı bir şekilde Afrika ekonomisinin sürekli unsurları haline gelmektedirler.

Çin'in Sahra Altı Afrika ile artan etkileşimi Birleşik Devletler'in hegemonya sonrası dönemine denk gelmektedir; Birleşik Devletler'in üretim üstünlüğünü kaybetmesi, azalan ticari ve finansal üstünlük, siyasi ve askeri gücünün artık baskın olmaması ile Avrupalı ve Japon müttefiklerine dikte edemiyor oluşu. Paul Kennedy'nin de söylediği gibi bir devletin dünya sisteminde hegemonyasını gerçekleştirmesi ve devam ettirebilmesi o devletin üretim etkinliğine bağlıdır (Kennedy, 1989). Çin, üretim etkinliği açısından Birşelik Devletler'e en yakın rakiptir. Aslında, Çin üretim etkinliğinde Birleşik Devletler'e ve Batılı rakiplerine karşı zayıf bir üstünlüğe sahiptir. Dünya ekonomisinde artan önemi ile birlikte Hindistan, Brezilya ve Rusya gibi baskın sayıda devletin varlığına rağmen Çin ekonomik açıdan açık ara en önemli ülkedir. Çin'in yükselişi farklıdır ve Birleşik Devletler'in tabi devletleri olagelmiş Güney Kore, Japonya ve Tayvan gibi eski Asya kaplanlarının kaderini yaşama ihtimali yoktur. Çin'in yükselişine ilişkin devasa nüfusunun ortaya koyduğu zorluklar, diğer Asya kaplanlarının karşılaştıklarından farklı bir ölçüdedir.

Fakat yine de dünya sisteminde bir devletin hegemon olmasında Afrika kaynakları kilit bir rol oynamaktadır. Çevre devletlerin enerji ve ham maddeye hiçbir engelle karşılaşmadan erişimini güvenceye alma ihtiyacı, milenyumun dönümündeki başlangıcından beri Çin'in Afrika'daki "tasfiye" stratejisinin kritik bir parçası olmuştur. Doğal kaynakların büyük bir kısmının önde gelen üreticilerinden birisi olmasına rağmen Çin'in artan doğal kaynak talebi yerel kaynakları aşmış ve sonuç olarak Çin, bakır, demir cevheri, kobalt, nikel, ham petrol, krom ve potasyumun net bir ithalatçısı haline gelmiştir. Çin'in enerji ve doğal kaynaklarda dışa bağımlılığı, başlıca üreticisi olduğu kalay gibi metalarda bile hızla büyümektedir (Alves, 2013). Pekin, ekonomik büyümesini sürdürmek adına yerel üretimini başlatmak için sınırlarının ötesini görmek zorundaydı. Ortadoğu, Çin için önemli bir petrol ve doğal kaynak tedarikçisi olarak kalırken, Afrika çevresi ekonomik büyümenin sürdürülmesinde giderek önemi artan arz kaynağı haline gelmektedir ki bu da Çin'in dünya sisteminde merkez konuma ve devamında hegemonyaya erişmesindeki yukarı doğru hareketliliği için kritik öneme sahiptir. Bu bağlamda Çinliler tarafından benimsenen strateji, Afrika'nın doğal kaynaklarının, ana arz kaynağını izole edecek ve koruyacak olan bağımsız ve bütünleşik enerji ve güvenlik modeli aracılığı ile benimsenmesini gerektirmektedir (Taylor 2006:942). Bu ya keşif haklarının korunması ya da Afrika'da altyapı geliştirmeyi teşvik edecek olan geniş ölçekli imtiyazlı kredileri içeren bir paket program kapsamındaki uzun erimli sözleşmeler aracılığıyla elde edilir (Taylor 2006:942). Bu giriş stratejisi Afrika'daki petrol üreticisi çoğu ülkede – örneğin, Cezayir, Angola, Çad, Kongo-Brazavil, Nijer, Nijerya, Moritanya ve Sudan – gün gibi ortadadır. Bütün bir devralma fiyat teklifinin başarısızlığa uğradığı yerde, tıpkı Çin'in, Gana petrolünde hissesi olan Kosmos Enerji'yi devralmadaki başarısız teklifi durumunda olduğu gibi, Çin, petrol arzına erişimi güvence altına almak için müşteri anlaşmalarından oluşan finansal araçların bir karışımını kullanıyor.

Afrika kaynaklarına teminatlı erişim Çin'in hegemonyacı arzusu için kilit noktayken, Afrika pazarına erişim de Çin'in KİT'leri için eşit derecede önemlidir. Afrika, Avrupa ve Birleşik Devletler'in büyüklükleri birleştirildiğindekine eşdeğer bir nüfus ile Çin'in mamul ürünleri için "mekânsal düzeltme" işlevi gören KİT'lerine yönelik önemli bir durak olarak ortaya çıkıyor. Çin hükümeti, "tasfiye" stratejisi aracılığıyla Çin firmaları için pazar yaratan Afrika devletleri ile daha yakın ilişki geliştiriyor. Bu, uluslararası rekabetçi Çin KİT'lerinden bir takım/küme yaratmak için tasarlanan daha geniş bir hükümet stratejinin parçasıdır (Mohan, 2014). Bu Çin KİT'lerinin baskın bir kısmı Afrika ekonomilerinin görünümüne hâkim oluyor ve Batılı benzerlerinden daha çok satma, daha fazla fiyat teklif etme, daha fazla arz etme ve daha fazla üretme kabiliyetleri bu KİT'leri Afrika pazarını ele geçirme açısından çok kuvvetli gözdeler haline getiriyor (Alden 2007:154). Batılı firmaların aksine nispeten düşük maliyetli Çin firmaları hücum ediyor ve uzun saatler çalışma yeteneğini göstermiş olan Çinli işgücünün projeleri tamamlamak için zor koşullar altındaki özverisi, bu firmaları karar alıcılar nezdinde çekici hale getiriyor.

Küresel Güney ve Afrika'da, özellikle Batı'nın hakimiyetine karşılık vermek için, stratejik bir devletler koalisyonu inşa etmek de Çin'in hegemonya çıkışı için son derece önemlidir. Çinliler 1950'lerden beri küresel Güney'deki devletler arasında sınırlı başarı ile birlik ve beraberliğin önemini vurgulamaktadır. Çin'in son yıllarda ekonomik olarak yeniden canlanması, Batı hakimiyeti karşısında küresel Güney içinde birlik çağrısı açısından olumlu bir etki yaratmıştır. Çin-Afrika İş Birliği Forumu (FOCAC) zirvesi, Birleşmiş Milletler gibi çok taraflı platformlarda Çin lehine Afrika devletlerini yeniden ihya etmeyi amaçlayan bu tarz girişimlerden bir tanesidir. Tayvan meselesi, Çin'in Afrika ile ilişkisinin bu noktasında merkezidir. Çin hükümeti, "Tek Çin politikası" lehine Afrika devletlerinin desteğini arama konusunda başarılı olmuştur ve böylece bugün sadece Esvatini Krallığı (resmi olarak Svaziland) Tayvan'ın egemen bir ülke olma iddiasını destekliyor.

Afrika, ham madde için bir depo ve Çin'in KİT'leri/mamul ürünleri için pazar görevi görerek ve küresel Güney'de stratejik bir devletler koalisyonu kurarak Çin'in hegemonyacı arzularına katkıda bulunuyor., Afrika çevresinden kaynaklara teminatlı erişim olmadan, Çin'in hegemonyacı arzusunun on yedinci, on sekizinci ve on dokuzuncu yüzyıllardaki ekonomik durgunluğu ile nitelendirilen benzer aksilikten müzdarip olması ihtimal dahilindedir. Dünya sisteminin geçmiş 500 yılında Batı'nın ve Çin'in izlediği kalkınma yörüngesi arasındaki en önemli fark, Çin daha az kaynağa sahip bir çevre ile çevrilmişken Batı'nın Avrupa dışındaki çevre ve bilhassa Afrika kaynaklarına ayrıcalıklı erişimi olmuştur (Pomeranz 2000). Çin'in, Afrika çevresinden kaynak akışına hiçbir engelle karşılaşmadan erişimi, ülkeyi çağın hegemon gücü olarak devletlerarası sistemi yönlendirmede iyi bir konuma oturtuyor.

Çin, ekonomik üstünlüğünü diğer ülkeleri kendi iradesine diz çöktürmek için kullanıyor, askeri gücünü geliştiriyor ve yatırımlarını korumak ve kendisine meydan okuyanları uzaklaştırmak amacıyla Afrika'ya olan küresel erişimini genişletiyor. Ayrıca, yumuşak gücünü geliştirmek için ağırlıklı olarak Afrika'daki eğitim ve kültür programlarına yatırım yapıyor. Çin, yıllık olarak 200'ün üzerinde ülkeden 440.000'den fazla öğrenci kabul ederek yabancı öğrenciler için dünyanın ikinci en popüler durağı haline geldi (Mastro 2019). Bu öğrencilerin çoğu Çin hükümetinden destek alıyor. Çin'in Afrika'daki stratejilerinden ortaya çıkan bu model Batı'da daha önceden yükselen hegemonları hatırlatırken, Afrika çevresinden elde ettiği sermaye birikim tarzı belirgin biçimde farklı bir durumdadır. Batı'nın fetih, sömürgeci hakimiyet ve emperyalizme dayanan sonu gelmeyen bölgesel genişlemesi ile karşılaştırıldığında Çin, altyapı yatırımları ve kalkınma yardımları biçimindeki finansal teşvikleri içeren geniş kapsamlı diplomatik enstrümanlar kullanmaktadır.

Dünya sistemi ile birleşmesinden önce yüzyıllardır devletler arasındaki ilişkileri düzenleyen Çin merkezli geleğen sistemin mirası Çin'in dış politikasının bir özelliği olarak kalmaktadır. Kapitalist dünya ekonomisi ile birleşmesi yeni bir olgudur ve Çin'in ve Doğu Asya'nın coğrafyasında ve tarihinde derin köklere sahip devletlerarası ilişkilerin mutabık kalınmış anlayışlarını aşındırmış olduğu beklenemez (Arrighi, 2007:324). Çin merkezinin tabi devletleri ile ilişkilerinin bu nitelikleri, bugün Afrika ile ilişkilerinde açıkça görülmektedir. Kuşkusuz, Çin'in Afrika'yla ekonomik ilgisi Çin lehine dengelenmiştir.

Çin'in hegemonya konumuna yükselmesi, eğer gerçekleşirse, muhtemelen ilk kez bir devletin Batı hegemonyası altında asla sahip olmadıkları güvenilir bir sürdürülebilir kalkınma yöntemi sağlama aracılığıyla çevreye yatırım yaparak sermaye birikimi mantığına meydan okuyan saflarda yükselişe geçtiğinde gerçekleşecektir. Çin'in başka devletlerin işlerine karışmama, yumuşak-güç oyunu, kazan-kazan yaklaşımı ve rejim seçkinleri ile yakın çalışma gibi farklılaştırma stratejisi, Afrika hükümetlerinin güvenini kazanmada ve Çin'i kıtada egemen bir oyuncu yapmada oldukça fazla katkı sağlamıştır. Çin yalnızca kıtadan istifade etmemekte, aynı zamanda kıtaya yatırım da yapmaktadır. Bu, haddinden fazla sermaye birikimi ve toplumun pazar tarafından aşırı sömürülmesi üzerindeki kısıtlamanın yani Konfüçyüsçü ideolojinin mirasıdır.

Çin, Doğu Asya ve ötesindeki artan etkisi ile birlikte Birleşik Devletler hegemonyasının hızlı düşüşünün asıl kazananı olarak ortaya çıkmıştır. Çin'in Afrika'ya hücum eden cazibesi, dünya ekonomisinin çevresinden artı değer akışını garanti altına almak için yükselen bir güce olan ihtiyaç bağlamındadır. Yükselen bir gücün diğerlerinden ziyade kaynakları alacağının garantisi, onu devletler arası sistemi yönetmek için iyi bir konuma oturtur. Afrika'nın Çin'e ihtiyacı olabileceği ihtimalinin yanında kendi kalkınması ve dünya sisteminde hegemonyaya ulaşması adına Çin'in Afrika'ya kesinlikle daha çok ihtiyacı bulunmaktadır (Li Anshan 2006:10).

Çin, dünya sistemindeki çevre ülkelerle ve özellikle Afrika ile ilişkilerine dinamizm katmıştır. Ancak, *Altyapı için Kaynak* ve *Kuşak ve Yol Girişimi* gibi projeler aracılığıyla dile getirilen "kapitalizm, Çin usulü"nün Çin'i dünya sisteminde hegemon güç olarak ileriye mi taşıyacağı yoksa kapitalist hegemonyacı rekabet içinde kısa ömürlü, kendi kendini engelleyen bir hadise mi olacağı belirsizdir. Doğrusal bir tahmin, kapitalist birikim merkezinin "Üçüncü Dünya'nın geri kalanı ile olmasa bile en azından Doğu ve Güney Asya ile ilişkili olarak emperyalist niteliğini kaybeden bir kapitalizm yönünde, Asya lehine daha dengeli olarak" farklı bir yönde hareket ediyor olduğunu öngörebilir (Amin, 2006:25).

Çin'in Afrika'daki varlığı yoğunlaştığından özellikle Afrika ve Gana için çıkarımlar çok büyüktür. Gana'nın Çin ile gelişmeye başlayan ilişkilerini açıklayan, Gana'nın Çin'den ne alabileceğine dair Ganalı politika yapıcılar arasındaki anlayıştır ve bu yalnızca Gana'ya özgü bir durum değildir, kalkınma finansmanına erişim çoğu Afrika ülkesinin Çin ile ilişkilerinin temelini oluşturmuştur. Bu durum, sadece Afrika'nın kalkınma finansmanına olan ihtiyacı hakkında çok fazla şey anlatmamakta aynı zamanda Gana'nın geleneksel sözüm ona kalkınma ortakları ile bağlarının gerçek durumunu da açığa vurmaktadır. Araştırma, Gana'nın geleneksel Batılı ortakları ile ilişkilerinin büyük ölçüde bozulmamış kalmasına rağmen temelde Çinlilerin teklif ettiği, sosyal ve ekonomik altyapıyı onarmak için son derece gerekli olan, kalkınma yardımları ve imtiyazlı krediler nedeniyle Çin'e olan ilginin odağının kayıyor olduğunu göstermektedir.

Çin'in Afrika'yla ilişkisinin artması, Afrikalılara müzakerelerde belirli bir manevra kabiliyeti kazandırmasıdır. Afrikalıların şimdi başvurabilecekleri alternatif bir kalkınma ortağı bulunmaktadır ve bu potansiyel olarak müzakerelerde ellerini güçlendirebilir. Bir alternatif olarak Çin'in varlığı Afrikalılar için büyük bir kazançtır. Afrikalılar için Çin seçeneği somut ekonomik ve sosyal altyapı sağlamaktadır. Bilhassa Afrikalı politika yapıcılar ve Ganalı resmi makamlar, ekonomi yapısını dönüştürmede anahtar olarak Çin'in ekonomideki yatırımı konusunda iyimserlerdir. Bu durum kısmen Çin yatırımlarının Batılı sermayece azgelişmiş bırakılmış ve terk edilmiş olan Gana ekonomisinin sektörlerinde yer almasından kaynaklanmaktadır. Ancak yine de Çin rekabetinden olumsuz bir şekilde etkilenmiş olan Ganalı sıradan tekstil üreticisi ve küçük tüccar Çinlilerin varlığı konusunda daha iyimserdir. Çin'in Afrika'daki küçük işletmeleri yerel girişimcileri pek çok şekilde yerlerinden etmekte çünkü Çin ürünleri yerel olarak üretilen ürünlerden daha ucuz hale gelmektedir.

Pek çok gözlemci, Çin ile etkileşiminde Afrika'nın rolü üzerinde düşünmüştür. Afrika devletleri Çinliler ile olan ilgilerinde bir tür etki uygular mı ya da Afrika devletlerinin Çinliler ile ilişki kurmada pasif aktörler olduğu bir durum mu söz konusudur? Genel kanı Çinlilerle ilişki kurduklarında Afrika devletlerinin pasif aktörler oldukları yönündedir. Gerçek şu ki Çin'in, Afrikalılarla ilişki kurmada uyumlu bir dış politika stratejisi olan bir Afrika stratejisi bulunmaktadır. Fakat, Afrika'nın bir Çin stratejisi yoktur; Çin ile ilişkisi olan çoğu Afrika hükümeti de Çin destekli projelerden faydalanabilmek için politikalarını Çin stratejilerine uyacak biçimde şekillendirmeye dayandırmaktadır. Çinli benzerleri ile sağlam bir müzakereye girme konusunda Afrika devletlerin tarafında görünen hazırlıklı olma eksikliği ilişkilerinde genellikle yapısal asimetri ile sonuçlanmaktadır.

Çin'in eninde sonunda dünya sisteminin bundan sonraki hegemonyacı gücü mü olacağı yoksa çok kutuplu bir dünyada önde gelen devletlerden biri haline mi geleceği bu çalışmanın kapsamını aşan bir tahmindir. Kesin olan, mevcut dünya sistemi ayakta kalırsa Afrika kaynaklarına ve pazarına erişimin yine de bir sonraki hegemonyacı dizilimde belirleyiciyi ortaya koyacağıdır. Ancak Çin'in Afrika'da devam eden hakimiyetinin başarısı veya akameti büyük oranda kıtada yaşayan binlerce Çinli iş insanının eylem ve davranışına ve yaşamlarını sürdürüp çalıştıkları Afrika toplumlarının gidişatına dayanacaktır. Açıkça, Gana hükümetinin Çin'in Gana'daki yasadışı maden işletmeciliğine karşı mücadelesi, genel olarak Gana-Çin ilişkilerini ve Gana-Çin ekonomik ilişkisinde muazzam bir geri adımı zorlamaktadır. Çin'in Afrika ile ilişkisinin geleceği, Pekin tarafından ya da Afrikalı benzerlerince değil daha ziyade giderek hem Afrikalıların hem de kıtadaki Çinli yerleşimcilerin deneyimleri sayesinde şekillenecektir.

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