

ATILIM UNIVERSITY
GRADUATE SCHOOL OF SOCIAL SCIENCES
DEPARTMENT OF INTERNATIONAL RELATIONS
INTERNATIONAL RELATIONS MASTER'S PROGRAMME

INCREASING COMPETITION BETWEEN CHINA AND WEST IN AFRICA

Master Thesis

Feven Zewdie Assefa

Ankara-2018

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ACCEPTION AND APPROVAL

This is to certify that this thesis/dissertation/report titled “Increasing Competition between China and West in Africa” and prepared by Feven Zewdie Assefa meets with the committee’s approval unanimously as Master’s Thesis in the Field of International Relations following the successful defends of the thesis conducted in the 26 June 2018.

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ÖZ

[Assefa, Feven Zewdie]. [Afrika'da Çin ve Batı Arasındaki Rekabetin Artırılması], [Master Thesis, Ankara, [2018].

Afrika yıllarca geleneksel ve geleneksel olmayan güçler arasındaki rekabetin ortasında yer aldı. Bunun nedenleri, Afrika'nın jeopolitik ve coğrafi önemi, hammadde zenginliği ve ucuz işgünün bir fırsat olarak düşünülmesidir. Başlangıçta Avrupalılar Afrika kıtasına yönelik olumsuz görüşlere sahipken, zamanla kıtanın sahip olduğu zenginliklerin farkına vardılar ve kıtayı sömürgeleştirmeye başladılar. Ancak bugün, eski Avrupa güçlerinden gelen sömürgelerin sona ermesine rağmen, bu sürece geleneksel olmayan güçlerin de eklenmesiyle birlikte yeni bir sömürge dönemi başlamış oldu.

Son yıllarda Afrika'daki önemini artıran ve küresel arenada pek çok kişinin merceğinde olan ülkelerden birisi de Çin'dir. Bu kapsamda Çin Afrika kıtasındaki politikasını “kazan kazan stratejisi” çerçevesinde değerlendirmekte ve bunu ilahi bir güç olarak görmektedirler. Ancak, bu tez belirtilen durumun aksine, Çin'in yükselişinin ve uyguladığı stratejilerin geleneksel güçlerin yükselişi ve uyguladığı stratejilerle pek çok benzerliğe sahip olduğunu ortaya koymaktadır.

Bu çerçevede, tezde farklı dili, kültürü, politik ideolojisi ve kabileleri olan ve elli dört bağımsız devletten oluşan Afrika kıtasının tümü için tespit yapılması için, Güney Afrika Cumhuriyeti'ndeki Çin'in ve Batı'nın politikaları ele alınacaktır.

Anahtar Kelimeler: Batı, Çin, Afrika, Güney Afrika Cumhuriyeti, sömürgecilik

ABSTRACT

[Assefa, Feven Zewdie]. [Increasing Competition between China and West in Africa], [Master Thesis, Ankara, [2018].

For years Africa has been positioned in the middle of rivalry among the traditional and non-traditional powers. This is due to the fact that the continent is endowed with raw materials, availability of cheap labour, geopolitical and geographical importance. Although initially there was a misconception among the mid-century Europeans, it did not take them long to be allured by the opportunity the continent presented. However, the peculiarity about the scenario was that though colonization from the former European powers came to an end, their competition for a slice of the continent is still continuing with the addition non-traditional powers. China is one of those powers which has dramatically increased their significance in Africa over the past decades drawing the attention of many in the global arena. Although their immediate rise in the continent was considered as a ‘Win-Win Cooperation’ and godly sent opportunity by most African leaders. Using historical perspective this paper argues the strategy used by China has a lot of similarities with the initial rise of the traditional powers. Therefore, in this paper, we are going to try to find out what triggers the increasing competition of those powers in the continent? The Republic of South Africa case will be used as African continent is comprised of fifty-four individual independent states with different languages, culture, political ideology and ethnicity which made it difficult to take the whole continent as a single entity. However, as almost all African states share a common history of colonization, post-colonization and new millennium regardless of their size and development it is easier to take one country to do comparative analysis.

Key Words: West, China, Africa, Republic of South Africa, colonialism

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ABBREVIATIONS AND ACRONYMS

AU	African Union
BRIC	Brazil, Russia, India & China
BRICS	Brazil, Russia, India, China & South Africa
CADF	China-Africa Development Fund
CDB	China Development Bank
COSATU	Congress of South African Trade Unions
CPC	Communist Party of China
DAC	Development Assistance Committee
FDI	Foreign Direct Investment
FOCAC	the China-Africa Cooperation Forum
FTAs	Free Trade Agreements
ICBC	Industrial Commercial Bank of China
IMF	International Monetary Fund
MDG	Millennium Developmental Goals
NAFTA	North America Free Trade Agreements
NGOs	Non-Governmental Organizations
NP	National Party
OECD	Economic Cooperation and Development
OPEC	Organization of Oil Exporting Countries
OOF	Other Official Flows
PRC	People's Republic of China
ROC	Republic of China
RSA	Republic of South Africa
SACU	South Africa Custom Union
SSA	Sub-Saharan African Countries
SSAS	Social Structures of Accumulation
UNDP	United Nation Development Programs
WTO	World Trade Organizations

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INTRODUCTION

China's foreign policy regarding their involvement in Africa shifted dramatically during the past decades causing a contradictory argument within international arena. This scenario triggered the already existing competition between the traditional European powers (which already have a network in the continent), US, Russia, China, and others newly risen powers for a part of the continent. However, although the continent has experienced a long history of international interventions and intense rivalry, they regarded Chinese's rise positively. This is due to the fact that China shares a mutual goal with Africans towards the continent, which brought a sense of solidarity and hope for transforming Africa from its marginal status which contradicts to the western goal towards the continent. However, this paper argues using historical viewpoint apart from the colonial past there is a lot of similarities between western and Chinese rise in Africa and they share a common goal of exploitation.

Competition for Africa traced centuries ago before colonization. In the backdrop of the renaissance Europeans were driven by their curiosity for exploration of new geographical areas, technological expansions and innovations. As a result, starting from the fourteenth century they started discovering overseas geographical areas and dividing them among themselves. In the fifteenth century Portuguese explorer known by Vasco Da Gama discovered Africa while sailing east. Throughout this period Europeans desire was more driven by their curiosity for new lands, spreading Christianity, and setting a trading partnership with the local Africans for a profitable business. However, as industrialization increased Europeans initial goal was swept away to be replaced by their desire to seek overseas empires to help them get more power and advantage over their rivals. As a result, in 1884 European powers met in Berlin to solve their problem and decide the fate of the continent.

"Scramble for Africa" was the theme used to describe the conference held in Berlin 1884-1885, which took place as a result of Europeans aggravated rivalry in Africa. During this period, Europeans which previously labelled Africa as the darkest

continent partitioned the continent among themselves with the exception of two countries. This period was an important turning point in the world's history not only because it shaped the fate of the continent but also it was a period of economic, social and political transformation as well the emergence of new powerful states, such as Germany and Belgium in the European history, which made the race for colonies and competition vicious.

However, while acquiring prosperous geographical areas and lands to be used as a bargaining power little did they know about what they were striving. For instance, initially Bismarck the German leader had no interest on overseas acquisitions however, he shifted his attitude after realizing gaining overseas empire was the only way which could give them superiority over their rivals. That is why when he was asked about their sudden change of their attitude he replied the fear of his opponent's having an upper hand in economy and politics have driven them to participate in race.¹ Still, as late comers they were forced to compete against those traditional European powers which later led to the sketching and disseminating of artificial boundaries among those powers.

After thirty years of colonization most African countries gained their independence with a hope of protecting their sovereignty. However, decolonization didn't halt western powers desire from competing rather it brought another powers to race. As a result, at the wake of decolonization those independent states were yet again colonized under different type of colonization which is Neo-colonization. This form of colonization placed the former colonies to depend heavily on their former colonizers and new powers for economic, political, defence and security reasons. As a result, even after decolonization they became the centre of rivalry among the strongest nations.

The main reason for this was following their independence rather than focusing on building a sustainable socioeconomic growth and positive development outcomes, many African states remained in dispute over artificially drawn borders. As a result, those countries lagged far behind in their economic development which

¹ Robin Brooke-Smith, *The Scramble for Africa, Documents and Debates*, London: United Kingdom, 1987, p. 1,2

in turn made them vulnerable. Utilizing this opportunity the western created a new approach under the pretext of democratization, economic liberation, and economic integration to continue their existence in the continent and other independent countries. However, their main goal was not supporting the underdeveloped countries to be democratized and economically prosper but more like to maintain their already set networks which was established during the colonial period. In doing so they open doors for international trades, which came as a shock for many African firms as they were not strong enough to compete within international environment and were forced out of market in their initial stage. This situation resulted in opening an opportunity for many countries multinational companies to take advantage against those new nations making them economically dependent on those multinational companies and their home countries.

China is one of those countries which increased their involvement in Africa in the past decades drawing the attention of many in the global politics. Though there are many speculations over this scenario, the perception of African leaders remained optimistic. This was due to the fact that Beijing follows a non-interference policy in contrast to the western investment policy which comes with some receipts. Moreover, the mutual colonial past which they experienced was also another appeal for sharing the same goal. However, although Beijing is using different strategies an important fact remained they share a lot of commonalities with the western strategy particularly after the decolonization period.

Although, it is a common truth the Chinese rise as the western has contributed to the economic development and modernization of these nations. Nevertheless, contemporary Chinese forays into the heartlands of Africa are motivated more by the single-minded pursuit of economic interests than by the solidarity rational of the past.² While African leaders are lured to this cooperation due to the non-interference policy, their colonial past, support for economic development and win-win cooperation, in reality, this is far from the truth. Africa may gain some economic benefits, however, it is China as the western before that

² Dorthy Grace Gurrero & Firoze Manji (Eds.). *China's New Role in Africa and the South: A Search for A New Perspective*, Oxford: UK, Fahomu, 2008, p. 17

will transform more in its economy using materials and financial resources gained from Africa.³

Therefore, in this paper will try to analyse the main reason for the increasing competition for Africa. Whether Beijing's and African leaders claim about the win-win corporation can be justified? South Africa's experience between those rises? We will take the an example of the Republic of South Africa since it is very hard to take Africa as a single autonomous states, as it is composed of fifty-five states which share the same experiences under colonization and current china's rise for an in-depth understanding.

³ Ibid

CHAPTER ONE

BACKGROUND AND SETTING

1.1. The Research Question

The common myth among African leaders is that China's rise in the continent is a godly sent opportunity which comes to develop the underdeveloped countries which had suffered under colonization while despising the western intervention in the continent. As a result, swayed by the "No-string attached investment" and "non-interference" policy which undermines self-reliance, human rights, employment rights, and encourages corruption African leaders and people accepted Beijing with open arms. Accepting a huge amount of financial investment and aids with the promise of zero tariff trade agreements, diplomatic allies, education, bilateral and multilateral agreements replacing the western involvement in Africa.

In addition, African countries have taken Chinese model in their state development programs. As a result, both sides were optimist about their bilateral agreements and portrait it by saying a "win-win corporation". Therefore, using historical perspective of all the western Europeans, US, Soviet, EU, and China rises in Africa and their competition, this paper will try to examine various questions. What is the main reason behind the increasing competition for the part of Africa in general and Republic of South Africa in Particular? How Africa could handle this rivalry? With their experience of colonization what factors pushed African leaders to open their doors to China? Is Sino-African relation cooperation or exploitation? Is China trying to colonize the continent under the pretext of economic development?

1.2. Objective of the Study

Initially, it was economic and social factors which had driven mid-European powers to compute for the part of Africa however, their attitude dramatically shifted to a full conquest when the computation became intense. Likewise, during the Cold

War though, most African states gained their independence, the competition among Washington and Moscow for those countries remained in addition to the existing traditional powers. Nonetheless, even in the wake of Cold War when Washington became pre-eminence power in the world politics the competition did not stop rather using a structural adjustment strategy they pushed those new states to open their doors to accept a multinational corporation's and their home countries to rise in the continent.

China was one of those countries which utilized the liberalization opportunity to rise in Africa. However, recently their appeal has overridden all the other rivals and they have managed to put themselves as the second trading and diplomatic partners of the continent using a soft power. This is mainly due to the non-political conditionality policy they are following and their colonial past which they share with Africa. Nevertheless, although African leaders and people despised western interventions, Beijing's rise was perceived as a godly sent opportunities. Moreover, there are arguments that Beijing and their corporation are aiding in the national development of the developing countries by providing loans, aids and others. However, similar to Chinese aids, colonial powers and the other current western powers such as EU and US have also brought technological transformation in the continent in general and Republic of South Africa in particular but at the same time, they have destroyed the national economy of the continent. With all their riches the continent lagged far behind in their development and became dependent for their economic, political, and defence on those powers. Therefore, the main objective of this paper will be firstly to show that Beijing shares the same goal of exploitation without regard to the people of Africa as the other western powers. Secondly, African nations in general and Republic of South Africa in particular unless they achieve economic and political independence they will always be vulnerable against foreign intervention.

1.3. Methodology

In this study there is an attempt to analyse the increasing rivalry among traditional and recent raising powers in Africa over the centuries. However, although

the general historical background of Africa will be used, much focus will be given to the case of Republic of South Africa for a comparative study between the western and Chinese rise. This is because Republic of South Africa is one of the African States which was greatly affected under western powers and currently because of rise China and their multinational companies. In this paper, although more qualitative studies will be used for analysis purpose, some quantitative work will also be used especially while measuring the aids and investments provided by the actors for establishing the argument.

Moreover, information will be gathered using primary and secondary data's. Primary data's such as interviews from intellectuals, politicians and civil society's which is already present in numerous newspapers, articles, and media, those sources will be used according to their importance. In addition, secondary data's will be used based on existing historical books of Pre-colonization, Colonization, Decolonization and the current rise of China, journals, newspapers, and articles from International Relations, Economics, African studies, Trade unions and others resources for analysing the study at hand. Finally, the state level of analysis will be used in this study as it is directly concerned about the effect of those rises in the economic, social and politics of the nation and its society.

1.4. Literature review

For generations, Africa was known for its affluence in natural resources, labour, vast geographical areas and strategic importance. Yet, the world's wealthiest continent in natural resource is composed of the poorest people and countries in the world. This is mainly due to an increasing involvement of foreign powers in the continent which has negatively impacted the continent economically, politically and socially. Looking back at history before the fifteenth century there were a minimum influence in the continents politics and economics. Moreover, Europeans where only driven for their need for resources and market for their products even while the trade was conducts it was the locals which provided Europeans with raw materials.

Scholars tried to explain the increasing competition over Africa by classifying it within three scrambles which led African to the state it is today. The first scramble was between the seventeenth and eighteenth centuries of the slave trade through which West Europeans have benefited by taking slaves from Africa to the lands they acquire in new world and used to gain profit out of this. According to Abramova, slave trade started in the late fifteenth century when some Portuguese sailors took slaves to their home country. However, when they noticed it was a profitable business government they started bringing more slaves with every expedition they took. Moreover, according to him, not only the traders but after a while the Portuguese government was involved deeming it profitable business which could recover their costly expedition to the continent.⁴ Prince Henry of Portugal authorized importation of more slaves from Africa to be converted to Christianity and be sold which was approved by Pope Nicholas V. In addition, the pope granted the prince a right to enslave the African pagans and size their lands which led to increasing interest of the trade with in west European powers.⁵

The second scramble came after the discovery of raw materials when Europeans noticed that controlling the nations will give them more advantage than just trading with the locals. Long before discoveries of the new world, gold was provided to European merchants from Africa, once they accumulated gold they used those gold to acquire lands in the new world and established their communities by driving out the locals and taking their lands. When they realized those lands required working forces, African continent again provided slaves to work in the plantations and mines.⁶ However, after the abolishment of the slave trade which was a very profitable business of that time, they shifted their attention on conquering the whole continent. As a result the following years they placed the continent under colonization using the divide and rule policy they followed and continued ruling until decolonization. The scramble gave Europe virtually the whole continent including

⁴ S.U. Abramova, Ideological, doctrinal, philosophical, regional and political aspects of African slave trade, *The Africa Slave Trade From fifteen to the nineteenth century*, Reports and papers of the meeting of experts organized by Unesco, Port-au-Prince: Haiti, 1978, Pp. 16-30

⁵ Ibid

⁶ Juhani Koponen, "The Partition of Africa: A Scramble for the Mirage?" University of Helsinki, Finland, *Nordic Journal of African Studies* Vol. No. 2 (1): 117–135 (1993). P. 130

thirty new colonies and protectorates, 10 million square miles of new territories and 110 million subjects acquired as a result of their conquest.⁷ Therefore, as a result of their competition to be continental powers Europeans divided Africa without care for their culture or people.

Decolonization was just a public image for most African nations, this is due to the fact that their colonial masters were not willing to let them gain their full independence rather they created another neo-colonial mechanism to control them. This mechanism forced governments to implement free market strategy and privatization. According to this theory, human well-being can be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade.⁸ Moreover, deeming a burden the role of the state was forced to be kept in minimum from interfering in the market however, it can participate in creating and preserving the official framework to support such practice. The state has to guarantee, for example, the quality and integrity of money. It must also set up military, defence, police, and legal structures and functions required to secure private property rights and to guarantee, by force if need be, the proper functioning of markets.⁹

As a result, using the liberalization propaganda the United Nations agencies International Monetary Fund (IMF) and World Bank forced states around the world to adopt the shock therapy of neoliberalism. Therefore, the states in addition to the ex-soviets, and newly independent African and Asian states adopted the structural adjustments.¹⁰

This policy was advocated and enforced by big institutions which played a big role in development of nations such as universities, financial departments and banks; international organizations such as the IMF, the World Bank, and World Trade Organization (WTO) that regulate global finance and trade.¹¹ As a result, using

⁷ Thomas Pakenham, *The Scramble of Africa*, London: UK, Abacus Publishing, 1991

⁸ David Harvy, *A Brief History of Neoliberalism*, Oxford: United Kingdom, Oxford University Press Inc., 2005, Pp. 2-11

⁹ Idem.

¹⁰ Idem.

¹¹ Idem.

neoliberalism as a tool the western power and elites forced the governments to privatize their market, established military bases, set federations and communities, and aids. Moreover, they took measures under the name of the United Nations against the countries which did not implement this structural adjustments, in doing so they have succeeded in keeping those countries under their control.¹² Therefore, by the end of the 1980s, more than, seventy percent of the third world countries were forced to accept the adjustment programs which is based on neoliberal strategies.¹³

As a result, it was the western and their corporations which gained more than the developing countries and citizens. Not only did neoliberalism allowed the western to retain their control but also it opened doors for globalization, economic integration and competition which caused African countries to lag far behind in their economic development. Furthermore, rather than providing a solution it curtailed their development and economic liberation in the process. It also increases the momentum of China and India rivalry in the world economy which in return increased their demand for raw materials and market for their products, which brought Africa once again as a centre of rivalry.

In theory, it was the perfect solution not only for newly independent states such as the ex-communist states and Africa but to all the states in the world however, for those countries which practise neoliberal it took them backward. According to many scholars, the initial stage of Neoliberalism was optimistic the same as the rise of China in global politics, however, in practice those countries due to poor economic conditions and people's total dependencies on the subsidies from the government on education, health, social institutions, and government-owned projects. The situation goes to the worst form of economic crises and inflation.

According to the UN Human Development Report, "The new century opened with an unprecedented declaration of solidarity and determination to rid the world of poverty. In 2000 the UN Millennium Declaration, adopted at the largest-ever gathering of heads of state, committed countries rich and poor doing all they can to

¹² Husu Nai-chiung, "The Interrelations of Political and Economic Independence," Peking Review, No 5, Jan. 28, 1966, pp. 12-14

¹³ Kalim Siddique, "Developing countries experience with Neoliberalism & Globalization," Macro think institute, Research in applied economics, 2012, vol. 4, No, 4

eradicate poverty, promote human dignity and equality and achieve peace, democracy, and environmental sustainability.”¹⁴ However, the result was the opposite of what they have stated Africa during the neoliberal era was suffering from income inequality, social turmoil, unemployment, and the states regressed towards deterioration. While the western powers retain their influence China and India started competing to create a new network which was previously held by West.

It is been years since China has experienced a booming economy and transformed itself as a protector for African nations and replaced the western by becoming a major donor in Africa and other countries without any political conditionality. Although there were Sino-African relations long before this time, in November 2006 a new strategic partnership was signed between China and African leaders, celebrating the friendship and cooperation.¹⁵ During this meeting China promised Africa cancellation of previous loans, new mixed loans with substantial terms, give support in developmental infrastructures, educational opportunities and so on. According to China’s Africa Policy, 2006, their relationship was based on multi-dimensional cooperation which is identified under four main fields of cooperation, namely Political, Economic, Education (science, culture, health and social), Peace and Security.¹⁶ By doing so China becomes a top trading partner of Africa following the United States of America (USA) and European Union (EU).

During Beijing Summit 2006: an increasing investment, aids, loans, debt cancellation, and educational opportunities were promised by the Chinese government. Therefore, over the past years, the Chinese investment has grown dramatically and more than 800 Chinese companies started coming in 2006, one hundred of which are medium to large state-owned firms.¹⁷ However, this puts African nations at a disadvantage because this scenario creates economic

¹⁴ Summary Human Development Report: “Millennium Development Goals: A compact among nations to end human poverty”, New York: United State of America (USA), The United Nation Development Program (UNDP), 2003. Pp., 1

¹⁵ Horace Campbell, “China in Africa: challenging US global hegemony,” *Third World Quarterly*, Routhledge Taylor & Frances group, 2008, 29:1, 89-105, DOI: 10.1080/01436590701726517

¹⁶ China’s Africa Policy, Issued by Chinese Government, 2006, Retrieved from: http://english.peopledaily.com.cn/200601/12/eng20060112_234894.html

¹⁷ Kinfu Adisu, Thomas Sharky & Sam Okoroafo, “The impact of Chinese investment in Africa,” *international journal of business and management*, V. 5, No. 9, September 2010 p.7

dependencies for nations. This is because once those companies started coming they will drive out the local markets which could have developed if there was no competition from big multinational companies with huge capital and it is a known fact from history that states industrialize or become economically developed by their own economy. Secondly one argument the Chinese give is that they are creating employment, however, when the companies come to the countries they bring 50% of their own employees with them which again leads to the highest unemployment rate to the local people.

The same as the initial stage neoliberalism promised economic development, market freedom, employment and self-determination to developing nations, but it has resulted in economic dependencies, high unemployment rate, income gaps and gap among the rich and poor within the society. Similarly the rise of China in Africa is returning the same result, however, many scholars and political leaders are considering China as a godly sent opportunity which comes without string attached in the investment.

Moreover, we cannot justify their action as a win-win situation as it is claimed, because the main appeal of Africa of Chinese as to the west is its natural resource, their potential as diplomatic allies against the west and its attractiveness for Chinese market export and labour and land for their growing population. As a result, African businesses are moving out of the market due to fierce competition resulting in the high unemployment rate, poverty, and dependencies for Chinese products. In addition, if their investment comes without string attached, then how we can justify their One-China policy against Taiwan's independence and using African votes in the UN national assembly.

1.5. Theoretical Frame work

Three major theories can be used while discussing the increasing computation of the economically and politically powerful countries of the world in the third world countries. Those theories are the Dependency theory by Andre Gunder Frank, the World-system by Immanuel Maurice Wallenstein and Neoliberalism theory which

was proposed by Margaret Thatcher and Ronald Reagan. Since the first two theories are closely interlinked with a small deference in this paper we will use only the dependency theory by Frank and the Neoliberalism theory. Although this two theories are different but they are interrelated as they share a common goal of exploitation and support for the western elites.

1.5.1. Dependency Theory

Starting from 1950s to 1970 the world was overwhelmed by two most popular theories of those times structuralism and modernization. However, another predominant theory of was also Frank's dependency theory. Although, this theory is out of practice as a theory today but in practise it exists. Dependency theory came in practice in the 1950s with the decolonization era under the UN guidance. According to the dictionary of Cambridge dependency is defined as a nation or a states or somebody which is controlled by other states or by someone in order to continue their existence.¹⁸ As defined, according to theory the global north are living in the back of the global south. That is for the western to be economically and politically strong they have to use or exploit the weaker counties for raw materials, market for their products etc.

According, to Frank the world is divided in to four divisions. Core-Core (CC) countries such as USA, British etc., Periphery-Core (PC) Canada, Core-Periphery (South Africa), and last the Periphery-periphery such as the third world countries. Accordingly the others end up serving the CC and the CC exploits all the others. For instance, in order to relate theory the paper we have to remember the main reason for colonization was economic, political, and social. Initially it all started with merchants discovering areas for raw materials, labour and lands. However, when the European powers started flowing to the continent especially after the discovery of gold and other minerals their fight became fierce until they decided to slice of the whole continent among themselves in the Berlin Conference. But all of them share a common goal of exploitation.

¹⁸ Cambridge Academic Content Dictionary © Cambridge University Press

Secondly, Frank explains about how all the countries around the world regardless of their size have class systems through which the elite controls the lower class and creates inequality. However, those small groups of elites around the world are closely related with each other globally and support each other. Those groups create a global network and controls the global economy using the capitalism world economy system. Moreover, this system helps them to control the world economy and politics using some mechanisms such as the market liberalization, free trade and other financial institutions. Using the mechanisms of IMF, World Bank and World Trade Organizations.

For instance, when colonization came to an end all the developing states and the ex-soviets were forced to embrace a structural adjustment programs which was implemented by the financial institutions which was controlled by those global elite groups and their countries. Those developing countries which were very optimist at their initial stage of their independence, however, were faced with the implementation of the structural adjustment which came at the same package with the Washington consensus they have to implement in return for the funds they were offered by the financial institutions.

This resulted in the third countries economic and political dependencies while the reach countries and elite groups retained their control and prospered while continuing their exploitation. Which is similar to the rising of China in the continent except in this case Africans were not forced but willingly put themselves in the situation in exchange for the promise of financial assistance without strings attached. Although their approach is different from those of the western however, their main goal is exploitation of raw materials, diplomatic allies which African counties individual votes, market for their products and area for their population,

By doing so they halted the development program of the developing countries, restricting them from prospering, be economically and politically independent and restricting those counties from having their own industries this is because industrialization lead counties to depend on their own than on imported products. Dependency theory claims colonialism and capitalism have negatively impacted the developing nations. For instance, some developing countries like China

has come out successfully reduced their dependency after years of being dependent on imports of many products. This is because they protected their economy and industries using state owned mechanisms such as monetary policy, fiscal policy and other tax mechanisms.

However, this theory has got a lot of critic as it shows the problem but offer any solution while some say that colonization has offered a good impact in the continents economy and society.

1.5.2. Neoliberalism Theory

Neoliberalism is a socio-economic theory and policy model which was the successor of the liberalism theory by John Lock and Adam Smith. Liberalism which was a predominant theory of the 20th century with its philosophy of freedom (speech, religion, property right), capitalism and making of the welfare states. Moreover, Adam Smith in his book of “invisible hand” he proposed that as supply and demand controlled the market only minimum government interference is needed. Although throughout time the ideology grew dramatically and assisted in French revolution, British revolution, and opened the door for halting of slavery believing all human beings are born equal. However, at the same time it assists the west and the few elites to force the world to global capitalism which led to colonization of the third world countries. Although, liberalism was a dominate theory but it was absent for years especially after the great depression which forced governments to shift to the stated owned economy. However, once again the idea was revived at the end of the cold war when the Washington came out as the hegemon in the world politics.

Neoliberalism was first introduced in British by Margareta Thatcher and Ronald Reagan in the Washington. It has been a predominant ideology since 1980s and has shaped the world for over thirty years. The main idea behind neoliberalism model was the reallocation of power from political to economical. According to this theory corporations should freely move from countries to counties while the market controls the economy. Moreover, it advocates for financial globalization, unregulated market and capitalism. This theory undermines government influence in the market,

they fought trade unions and destroyed the market regulation system. Which left the poor countries in a vulnerable situation against the multinational corporations to control the economy of the countries.

The doctrine was imposed using international financial institutions such as IMF, World Bank and WTO which were forcing the countries to deregulate their markets, privatise their state owned business, and open their doors for globalization and computation. As a result, the newly developing countries in exchange for funds from those financial institutions implemented those policy. However, there was no room for argument that is if they failed to comply with it they will face diplomatic isolation, discontinuing of loans from IMF in which they came to depend, sanctioned and in the worst case scenario war would be waged against them.

Therefore, the poor third world countries were forced to privatise their market, opened their markets for the big corporations and lower tax rate. This was the main notion of neoliberalism opening their doors to the western powers. As a result, the corporations from the west came and exploited the raw materials, cheap labour and found markets their products to those poor countries hindering them from their initial goal of self-sufficiency. In the process the poor countries remained poor while their wealth was transferred to the west. However, the most peculiar thing about this was it also opened door for China's raise as a global economy and come out as a donor rather than a recipient. This is due to the fact that China also implemented the policy but did it in a Chinese style and they were more reluctant to loans unlike the other countries.

In short, although in return for adopting the policy the developing countries were promised economic development, employment opportunities and modernisation what happened in the reality was the opposite. The local firms couldn't handle the computation provided by the multinational corporations and with no government control mechanism to protect them from the free flow of goods across the border they were driven out of the market. This resulted to cutting of wages and higher unemployment rate.

Although neoliberalism as a notion is a very good concept however, rather than being a solution for the economic development it has become a burden. Because in reality countries which implemented this approach were economically devastated while their capital remained in few resulted in income gap, unemployment and poverty.

1.6. Contribution

Initially, developing countries have never expected to implement neoliberalism will result in stagnation, regression, and high unemployment rate, accrued large debts and fell into cycles of debilitating dependency. A situation which benefited the western powers to retain their influence and network for exploitation, imposed their political ideologies, and got control of the economy, lower tax rate for their corporations, lands, and others. Furthermore, it created economic dependencies which led to the political dependence of those nations.

Similarly, many scholars and African leaders have expected the rise of China as godly sent opportunity for Africa which comes without any string attached and considers as a western propaganda which talks otherwise. However, they are missing that both use economic development and leads to the same output of economic dependencies. Therefore, this case study will try to contribute to the information by making a comparative study of those two rises which resulted in high dependencies of the political economy of those countries and leads to political dependencies. Furthermore, it will try to create awareness that rather than depending on aids and investments, countries should try to develop a mechanism for playing both powers and use it to their advantage.



CHAPTER TWO

HISTORICAL BACKGROUND

Learning from history is a very important concept used by many scholars. This is because history provides information about the past which explains what happened, what choices were made, the situation and uncontrollable events that have shaped our present. In addition, it answers questions such as why and how the world is the way it is today or going to be in the future. That's why a lot of scholars, often use the term "Is history repeating itself?" However, its greatest advantage is, looking in the past helps to avoid repeating the same mistakes again.

The main purpose of this paper is to try to understand the increasing competition for parts of Africa between the Western and Chinese rise and involvement in Africa in general and Republic of South Africa in particular. For that reason, historical backgrounds of all the rises as a comparative study to give us a great insight about how it all started and prove that the currently growing competition for the continent had been in existence for centuries. For instance, long before colonization, Ottoman, Italy and British empires competition over East Africa which was used by merchants and travellers as an important junction as it connects to Indian Ocean and through the Nile River to Egypt which was very important for commercial and military purposes. British, French and Ottoman rivalry for Egypt and control over Suez Canal. On the other hand competition over South and West Africa for its minerals such as coal, cotton, diamond, ivory, and oil which were the main ingredients during industrialization.

2.1. History of Euro-Africa Relations

Almost all historical books written about African history were written by non-African historians. Therefore, the information provided were slightly biased as it is written from their own perspective, influenced by the situation they live and work, and their own political stances. For this reason, we can detect there are some manoeuvres in those books. However, it does not necessarily mean that all

information provided were unauthenticated or biased. But since most of the books were written by non-African historians living in that era, it is hard to understand Africans perspective.

Furthermore, lots of similarities are noticed in their works such as leaping and starting from the latest centuries with the discoveries by the merchants, the discovery of the Cape of Good Hope in the 15th century, the white settlers, the discovery of diamond, gold and ivory, colonization, era of Apartheid and post-Apartheids which were governing the area for more than three hundred decades. This is due to the fact that before the fourteen century, Europeans had a very limited awareness of the continent. However, at the end of the century, their view of the world was transformed by the discovery of new lands, arrival of merchants and missionaries. Then they grasped this opportunity and raced to take a full advantage of their knowledge.

Although curiosity for oversea geography led Europeans to the discoveries of new areas; later their initial desire was replaced by economic, political and social factors. European voyages made in the fifteenth century were made by missionaries and traders, not until the nineteenth century, did the administrators made their initial appearance.¹⁹ As a result, during their first arrival they got into a partnership for an international trades with the local Africans. However, industrialization in Europe pushed the merchants to compute for raw materials, labour, and new markets for their products followed by setting community of settlers.

However, later on, countries' administrations started to get involved in order to protect their merchants and the lands they acquired. This was right after the abolition of the slave trade, which was a very profitable trade of those times. Once the slave trade was abolished, Europeans shifted their attention in searching another source which would put them as a core in the world economy. As a result, they started racing and fighting for new colonies which were rich and strategically important.

¹⁹ Olúfémí Táíwò, *How Colonialism Pre-empted Modernity in Africa*, Indianapolis: United States of America, Indiana University Press, 2010, P. 6

Although in the fifteen century Portuguese and Spanish empires were strong powers which have much control over the world later they were replaced by British and France which got a hold of the continent as a hegemonic powers by fighting against the locals. However, in the following years when new European powers including Germany and Belgium started coming to the picture the fighting became fierce. As a result, the European powers decided to divide the continent into colonies with those new comers. Therefore, to avoid fighting the following year starting from 1884 European focused on drawing artificial borders on the continent and dividing them among themselves.

At the Berlin Conference of 1884-1885 known by “A scramble for Africa” Europeans decided to divide Africa into colonies among themselves. The conference which was also referred as “West Conference” was led by British, France and Germany, this is after Germany started running for a colonial race, however, once they realized they had limited access to colonies, Bismarck came with new invention of letting countries with little interest in new colonies to participate in the meeting, finally fourteen European countries with the exception of Switzerland, United States, and Turkey called for the meeting, but, later on, Turkey was invited after protesting that they would be affected by their right to Africa.²⁰

After the Second World War decolonization started when local militant fighters started driving European colonial powers out from Asian and African countries respectively. Nevertheless, the colonial powers did not let them achieve complete autonomy, rather they put them under their control in another form of colonization, which is called Neo-colonialism. Neo-colonialism is based upon the principle of breaking up former large united colonial territories into a number of small non-viable States, which are incapable of independent development and must rely upon the former imperial powers for defence, development, and internal security.²¹

²⁰ Wang Shih-Tsung, “The Conference of Berlin and British ‘New’ Imperialism, “1884-1885”,” 1998, National Taiwan University, pp 193-195

²¹ Kwame Nkrumah, “Neo-Colonialism, The Last Stage of Imperialism”, London: United Kingdom, Thomas Nelson & Sons, Ltd., 1965, P.6

Furthermore, even after decolonization their economic and financial systems were connected with those former colonial ruler.²² Although this form of colonization is still in existence in many African countries, it is not always true that the former colonial power the same state can still have a hold of that state. Another new dominant state with a strong financial statue can hold weakest states, for instance, in later years the arrivals of new powers, such as United States of America (USA) and Union of Soviet Socialist Republics (USSR), they started controlling many countries by providing financial support and security in return for accepting their political ideology. However, at the end of the cold war a single hegemonic power raised in the world politics and they forced all the decolonized and ex-soviet countries to liberalize their market with their famous receipt of Washington consensus. As a result the years that followed many countries suffered as a consequence from their execution of the neoliberalism policy. Therefore, they took a lot of loans which they could not pay and ended up depending on their donors completely. With the exception of China which they did not encounter the policy in full and became an example as a successful country which applied the theory.

2.1.1. Pre-colonial times of Africa and Africans

For many years, Africa was considered as the darkest continent with no history and civilization worth citing by Europeans. This is due to the fact that most histories chronicled about Africa started from the fourteenth and fifteenth century on words, with the discoveries of lands, white settlers, Scramble for Africa, Decolonization and so on. Until recently not much value was given to the pre-historic era of Africa rather most authors were concerned on the impacts made by Europeans. This narrow minded misconception played an important role in easing the minds of the slave traders and colonizers. However, despite their poor opinion on the continent, their archaeological developments and technology have been kinder in

²² Ibid

unveiling ancient evidences and civilizations which shifted the continents insignificance statues in the world's history.²³

Furthermore, they unveiled there was a long history of kingdoms, administration, and population living in those areas for centuries. Precolonial Africa was following the same system like most European countries before revolution with their class division, no state formation and every city had their own set of rules. As long as they were in isolation in their northern cradle never had the ability to conceive of a political, judicial and social states organization extending beyond the limits of the city.²⁴ Every individual was affiliated to one city some times to more than one however, seclusion of every city was a law everything for the northern areas while in the southern part such as Egypt Empire as an ancient civilization their territory was composed of many areas.

According to various historical books, colonial powers did not just arrive and changed the whole system, rather they installed themselves within the existing system no matter how regressive it was. For instance, the African Civil Service has its roots in a precolonial institution on which European powers relied to build the colonial states and consolidate the administration.²⁵ In addition, there was a centralized administration governed by the local chief within the ethnic groups, and all the members of the group used to follow hierarchy and were accountable to the chief. Therefore, when Europeans came they had to make a direct bargain with the chieftains' in order to get cooperation from the tribes while implementing their new policies and technologies which made it easier for their conquest.

The only problem they have encounter during their initial arrival was that since there was no defined borders among the kingdoms there had been an overlapping of authorities, with communities giving their loyalty to more than one tribal leader. This in return created a problem for the Europeans which were used to a

²³ Toyin Falola, *Key Events in African History: A Reference guide*, London: United Kingdom, Greenwood Press, 2002, p. 4

²⁴ Cheikl Anta Diop, *Precolonial Black Africa, A comparative study of political and social systems of Europe and Black Africa, from antiquity to the formation of modern states*, Harold Saemeson (Translator), France, 1987, pp

²⁵ Emizet F. Kisangani, "Development of African Administration: Pre-colonial times and since," *Public Administration and Public Policy – Vol. I - Development of African Administration*, 2011

different political system which required to be the sole political authority within rigidly defined territories. As a result, their initial struggle was more focused on taking over lands, merging them and delimitations artificial borders in order secure and enlarge their holdings.²⁶

Most scholars agreed not only Africa was the origin of humanity with lots of history, but also within Africa, Egypt, for instance, was one of the wealthiest and civilized kingdoms thirty centuries ago before the conquest of Alexander the great. Moreover, it was modernized in scientific natural laws and their invention of technology to irrigate, grow food and extract minerals from the subsoil during the times that hunting with bows and wooden clubs were popular trend all over the world.²⁷ However, despite the fact that there were an archaeological evidences showing about some African countries civilization there was a strong denial by the middle age Europeans to accept the continent as the basis of human race and cultures which survived for centuries. For this reason, many authors were not able to record any pre-colonization history of Africa or Africans.

While it is true that Africa have been transformed in many ways after the arrival of Europeans, yet the continent was not in a complete isolation and uncivilized before those powers. Africa had given birth to many empires such as Egyptian, Axumite kingdom (4th), Mali, Benin etc. before the 15th century. Furthermore, there have been already an existing trade relations between the locals, Middle Eastern and Asian merchants. That's one of the main reasons why the locals accepted European merchants with open hands when arrived in the ports of Africa and were providing them with whatever they required. Long before European came as colonizers their merchants and missionaries were present in many parts of the continent. Aside from this, according to history the first international influence in Africa started in the fourth century with the arrival of Christian missionaries to Ethiopia (Axumite Kingdom), which is a country located in East of Africa and

²⁶ Alex Thomson, *An Introduction to Africa Politics*, New York: United States of America, Routledge Taylor and Francis group, Second Edition, 2004, P. 9

²⁷ Walter Rodney, *How Europe Under Developed Africa*, London: United Kingdom, Bogle-L'Ouverture Publication, 1973, P. 15

continuing to spread to other parts of Africa. Later in the eighth century Islam started spreading through northern part of Africa reaching the Atlantic Ocean.

The years following witnessed the arrival of plenty of missionaries with the aim of spreading their religion and merchants trading or passing through the African ports. However, within the continent only the southern parts to some extent were isolated from interacting with others. This is because the Saharan desert was isolated by natural barrier which restricted them from involving themselves in a cultural exchange with the rest of the world and tropical Africa. However, even the sub-Saharan Africans, by the fifteenth century had built strong land and maritime trading links with both Arabs and Europeans which helped them in participating in the international trading.²⁸

Nevertheless, between 14th and 15th century Europeans approach towards the continent shifted with the raise of renaissance where they were driven with their curiosity for new lands, technological developments, raw materials, market for their products, and converting heathens as they called to Christianity. Therefore, though there was a long history before this time, it was this period which was a turning point in the Euro-African history which opened doors for Portuguese merchants to set official trading areas in the borders of Cape after Vasco da Gama discovery to Africa. Following this period many Portuguese sailors settled in those areas opening trading companies which helps them to interact with other parts of the world. However, after a while those merchants were not just satisfied with trading of raw materials as a result, with every trip they started taking black slaves to Europe which turned out to be a profitable business.

Although, slavery had a long history in Europe before the fourteenth century the slaves were only white. Therefore, when the Portuguese merchants introduced black slaves to Europe, Europeans attention shifted dramatically towards Africa. However, once they realized that the slave trade became a profitable business the Portuguese Prince Henry approved importation of more slaves from Africa to cover

²⁸ Ibid

the cost of the expedition to the continent.²⁹ In addition, he forced those slaves to be converted to Christianity before being sold which was approved by Pope Nicholas V and granted the prince a right to bring more slaves and size their lands which led to increasing interest of the trade with in west European powers.³⁰

Although Portuguese were the strongest power in the fifteenth century, between sixteenth and seventeenth centuries British, France and Dutch followed the foot step of Portuguese merchants and came to Africa. However, the arrival of the other Europeans created a great threat to Portuguese which had been the strongest power in those areas this led to a fight between them. However, in the seventeenth century Dutch drove the Portuguese out of Cape of Hope. Especially during the mid-seventeenth century the Dutch settlers opened a shipping company in the port of Cape connecting with Indian Ocean. Likewise, North Africa till the modern day of Yemen until the 19th century were under the Ottoman Empire invention. North Africa was a host to Persian, Greek, Roman and Ottoman empires over time.³¹ However, in the 19th century when the Ottoman Empire power started weakening British and French challenged them for the areas they controlled. Therefore, after the First World War when the Ottoman like other empires of those times failed the British and France decide to divide the post war remnants among themselves until another newly Europeans states wanted to take a bite out of the post war states.

2.1.2. The Colonization of the Continent

Although initially European colonisers pushed their way to Africa for economic and social reasons it did not take them long to shift their attitude and replace their need to conquering the whole continent. Up until the nineteenth century, Europeans came largely as traders and missionaries with a limited presence in Africa settling only in the coastal areas.³² The primary reason for this was that before 1800s there was no need to colonize the continent because they used to benefit mostly from

²⁹ Ibid, Abramova

³⁰ Ibid

³¹ Ibid, Alex P. 11

³² Bruce Vandervort, Wars of Imperial Conquest in Africa, 1830-1914, Warfare & History, London: United Kingdom, Tylor and Francis, P.26

the trade the locals provide them and slave trade which was a profitable trade of that time.

Particularly in the 1780s the trans-Atlantic slave trade reached its climax attracting many European traders and their governments. Therefore, while this trade opened gates for a capitalistic world economy leading to industrialization by generating enormous amount of capital to the European merchants. It greatly impacted Africans negatively in every aspect of their lives by removing the most working force of the population which were very important in transforming Africa socially, economically and politically. As a result, in the 19th century when Europeans arrived as a colonizers the continent was weak and exposed against any power.

In 1807 under the Slave Trade Act of 1807 Britain outlawed the slave trade.³³ However, it took them more years until 1833 to entirely abolish the slavery all over Europe and America. Moreover, as soon as the law was ratified by all Europeans the merchants started looking for new sources of profit which will keep them at the core in the world economy. Although, slavery was abolished in Europe in Africa it was starting. During industrialization when Europeans were forced to pay for labour cost in their factories, plantations and mining it was expensive for compared to owning slaves. As a result, in the seventeenth century European merchants moved their companies in the coastal area of Africa where they could find forced labour while trying to penetrate the continent to put their hands on those resources rather than waiting for the locals to provide them. For the first years they couldn't succeed penetrating the continent fully as the continent was composed of the harshest climates and deserts of the world which made it hard for Europeans without the help of technological tools. Moreover, the different kinds of diseases which existed in the continent also hindered the Europeans from achieving the goals sooner.

Despite the fact that Europeans could not penetrate Africa, for years the locals provided them with gold when Europeans discovered America and when Asian trades skyrocketed. At the same time, it was also Africa which provided with slaves to work

³³ Slavery Abolition Act 1833, <https://www.saylor.org/site/wp-content/uploads/2011/05/Slavery-Abolition-Act-1833.pdf>

in their plantation of cotton, sugar etc. when they required labour for their new discover however, it was Europeans which benefited more than the local Africans.³⁴

Nevertheless, this was not sufficient for those merchants and their home countries. Therefore, when new rising powers increased in the European politics and their demand for becoming dominant powers skyrocketed. The competition for raw materials and market became fierce leading to fighting. In order to get those raw materials and export them to their home countries it became necessary to have their own plantations, mines and trading routes to transfer their materials. Therefore, they tackled this problem by taking over lands, however, when they started to expand territories fighting became severe not only with the locals but also among each other. As a result, they started calling their home country governments for protection of their economic interest. Therefore, despite European imperialist claim of aiding the uncivilized continent to be civilized, educated, and providing good governance to justify their action they were attracted to the continent for what they can exploit rather than what they can do.

Therefore, regardless of their repeated failure, they continued to cling to the coastal areas of Africa until they control the whole continent. Before the 1870s, European penetration of sub-Saharan Africa had been limited to Portugal's precarious coastal holdings in Angola, Guinea-Bissau and Mozambique, British commercial ventures in the so-called Oil Rivers region of today's Nigeria, and French expansion up the Senegal River in the direction of the Western Sudan.³⁵ However, after countless encounters with the locals they conquered the whole continent. The enormous gap in the technological developments, firearms, land transportation and maritime which was used by Europeans was the main reason which aided them in disarming the locals and pushing with their conquest.

As a result, by 1914 the whole continent with the exception of two countries were conquered.³⁶ Though the rivalry among Europeans to get control of the Niger valley never led to a serious conflict, the fierceness of it brought them into

³⁴ Ibid

³⁵ Ibid

³⁶ Ibid, Bruce Pp. 28-36

negotiation to seek settlement that led division of West African countries. While France got the control of the coastal area from Senegal to the Gold Coast as well as the hinterland behind it. Britain got control of Gold Coast South to Gabon.³⁷ But this division of West Africa between France and British was not acknowledged by the other Europeans, especially with a newly imperial power such Otto Von Bismarck of Germany. Accordingly, in 1884 he called an international conference in Berlin to introduce a new world order regarding the continent of Africa which helped them in carving up the continent. This meant, among other things, ensuring that there would be some slices of lands to be grabbed by the late comers such as them.³⁸ The Berlin conference was a very important period in the world's history through which European imperialists achieved a successful diplomatic agreement by preventing war and destruction. As a result, it is recorded as one of the best examples of successful diplomacy in the world politics.

2.1.2.1. Main reasons for "Scramble of Africa"

Though there had been an existing network of the Euro-African relations which traced back from the 15th century. The only countries involved during that period were Portuguese, Dutch, British and France, trading raw materials and slaves from the coastal areas of Africa to all over the world. Europeans main goal during this period was to acquire a profitable business and in the 17th and 18th century their slave trade raged its climax. Moreover, throughout the centuries in addition to the slave trade they were also nibbling the resources of the continent from their posts in the coastal areas of Africa. Therefore, what happened from the 19th century that made them shift their attitude towards the continent from just trading partners to completely seizing of the continent?

There are a lot of arguments among historians about what brought this sudden shift in Europeans attitude whether it was economic or non-economic reasons. The first explanation is that, according to the mid-European history in 1780s industrialization started in British then spread to the western, central Europe, and

³⁷ Ibid

³⁸ Ibid

America respectively. As these countries advanced in their industrialization the amount of goods and services produced increased while labour and demand for goods in Europe decreased because of the increasing competition.³⁹ This in return, changed labour forces in the countries, distribution and efficiency of a nation's labour force moreover, forced the countries to shift from the agrarian culture to technologically advanced industries.⁴⁰ Despite the fact that many peasants got employed in those factories and the outcome increased the demand for more cheaper labour and market for the products increased accordingly. As a result, this combined with the abolishment of slave trade forced Europeans for an overseas colonise which will provide them with market, resources and cheap labour at the same time.

A second explanation could be a capitalist imperialism system. Although this term was first used in England in 1890s but later it was used to describe the rivalry between Europeans to secure colonies and spheres of influences in Africa and Asia from mid-1880s to 1914 and it caused this period to be named as the "Age of Imperialism".⁴¹ As industrialization spreads throughout west and central Europe their need to maintain their growth grew along their need for new investment. However, in the late nineteenth century, the capitalist economies entered upon a difficult stage in which the power to dispose capital was falling into fewer hands, particularly large banking interests. As a result, the rates of return for the capital they invested at home country were falling constantly, therefore, believing surplus capital they decided to invest their capital in other countries.⁴²

In 1880 when gold was discovered in South Africa, Europeans started seeing as investment opportunity which promises great profit with small investment. Therefore, not to lose the opportunities the merchants started pressuring their home countries to

³⁹ William Rau & Dennis W. Roncek, "Industrialization and World Inequality: The Transformation of the Division of Labour in 59 Nations, 1960-1981" *American Sociological Review*, Vol. 52, No. 3 (Jun., 1987), pp. 359-369 Published by: American Sociological Association (Article)

⁴⁰ Ibid

⁴¹ Vladimir Ilyich Lenin, *Imperialism: The Highest Stage of Capitalism*, Sydney: Australia, Resistance books, El faro Printing, 1999, P. 7

⁴² Ibid, William Rau & Dennis W. Roncek

establish monopoly business not only in South Africa but in other parts of Africa as well.⁴³

Though economy also played a greater factor in colonizing the continent but it was not the only factor that triggered Europeans. For instance, for years France had struggled and fought against the existence of unified German state however, in 1871 German unification was completed when Germany defeated Denmark, Austria, and France. The unification of Germany created a major fifth power in Europe, in addition to France, Britain, Russia and Austria.⁴⁴ This additional raising power was interpreted as a major event that indicates as direct threat for a balance of power. However, it was also an event that led for further rivalry among the strong powers to strengthen themselves and expand their economic, political, and territorial control.

Social Darwinism can be taken also as another factor which triggered the colonization. Social Darwinism states about the survival of the fittest and according to the mid-century thinking of Europeans they were superior enough to control and direct the whole world, therefore, they took it upon their right to use their wealth and success to control the world. The belief in white superiority was also used to describe the partition as a “civilizing mission” the idea that a superior race had the right to improve the lives of an inferior one, if necessary through force and colonization.⁴⁵ Furthermore, taking versus from bible such as “whoever has will be given more, and he will have an abundance. Whoever does not have, even what he has will be taken away from him.”⁴⁶ They took the verse and interpreted it as God gave them superiority over others so they assumed the responsible for changing the backward societies.

As a result, of those factors and to settle the fight among themselves European powers with the suggestion of Bismarck met in Berlin to discuss about the partition of Africa. In the conference, Britain, France, Portugal, and Germany were leading as they were the greatest powers of that time. Despite the fact that Germany

⁴³ Toyin Falola, *Key Events in African History: A Reference guide*, London: United Kingdom, Greenwood Press, 2002, p. 177

⁴⁴ Ibid

⁴⁵ Ibid

⁴⁶ Bible Verse of Matthew 13:12

joined last in race for colonies during the conference they managed to put themselves with the greatest powers which already had an existing networks in the continent.

2.1.2.2. Effect of Colonization in Africa

Colonization is a much discussed topic in the international arena. This is due to its great impact on the world's history in general and those colonies in particular. However, there are different arguments about the topic, some argue its positive impact of the country's economic development and defend their claim by pointing out that Africa would have remained backwards without European intervention. While other historians and African leaders argue against this claim and implies that what brought Africa's problem today was the impact of colonization. However, although there are a noticed positive developments made by imperial powers such as modern infrastructures, educational facilities, transportation facilities and health facilities, it was all designed for their own need rather than for the continent or its people. Therefore, it does not justify their reason for their domination of the continent.

Looking back at history the scramble for Africa had a very great impact in the continent. Those impacts can be explained territorially, economically and politically. The boundaries of current Africa were drawn arbitrarily by European powers during the Berlin conference. However, while drawing the boundaries their main concern was only to prevent conflict among themselves in African territories not to repeat the same as the pervious European wars of the 18th-19th century.⁴⁷ Therefore, they did not care for the continent or its people in which their life was affected as a result of this division.

Lord Salisbury the British Prime minister who participate the Berlin conference put it briefly, "we have been engaged in drawing lines upon maps where no white man's feet have ever trod, we have been giving away mountains and rivers and lakes to each other, only hindered

⁴⁷ Stelios Michalopoulos & Elias Papioannou, "The Long-Run Effects of the Scramble for Africa", *American Economic Review*, Vol. 106 No 7. P. 4, 2015

by small impediment that is we never knew exactly where the mountains, rivers and lakes were."⁴⁸

Nevertheless, this arbitrarily division caused the post independent states of Africa to remain in dispute against each other. Following their independence rather than focusing on building a sustainable socioeconomic growth and positive development outcomes, many African states remained in dispute over artificially drawn borders. For instance, Somalia was divided among three European powers. As a result, the current Somalia is in constant turmoil they fought with Ethiopia on the west due to the Ogaden region, to the north with Kenya and Djibouti which was part of France. That is why after independence those countries lagged far behind in their economic development which in turn made them vulnerable again.

Colonization also affects the continent economically. When Europeans divided the continent they installed their own economic policy and derived the previous owners of the lands which were locals which in turn create unemployment. After they took the lands and mining they settled in those lands but since those lands require labour they hired those as a cheap labour. Furthermore, in order to raise capital for their work they forced those locals to pay more taxes. As a result the people immigrated from their villages leaving their lands to work for those Europeans however, since it was the time of industrialization for Europe those powers had shifted the continents basic production to industrial products such as cotton and mined minerals for export.

Africa has suffered long term effects, such as the loss of important natural resources like gold and rubber, economic devastation, cultural confusion, geopolitical division, and political subjugation.⁴⁹ Though, prior to colonization and transatlantic trade Africa was economically progressing particularly in the area of trade years of exploitation left Africa vulnerable. Moreover, destroying their basic production made the continent on imported European manufacturing goods which could have been done locally which is still going at present. Another example is that in Tanganyika present Tanzania colonizers replaced the agriculture food production

⁴⁸ Ibid

⁴⁹ <https://www.saylor.org/site/wp-content/uploads/2011/04/Decolonization-of-Africa.pdf>

of millet and sorghum which the locals depend on for food to intensive labour, non-food cash crop and cotton leading which lead to famine over those areas while the Europeans exported those products to their factories in their home countries.⁵⁰

Global integration was another economic factor which affected African countries negatively. When Colonizers forced Africa integrate in global economic system they were not ready for the competition the others provided. Although there was plenty of raw materials but colonizers only focused on exploiting and exporting resources than sending end products which benefited them. To help them facilitate in their export they also built necessary infrastructures, transportation mechanism like roads and railways, factories which produces semi-finished products. However, end products were produced in their home countries factories and re-sold it back to Africa and other nations creating dependency in imported manufactured goods. However, since colonization was devised to provide colonizers with raw materials to make them richer while neglecting the needs of locals it achieved its objective.

Finally, colonization also had a great impact Africa's politics. Before colonization Africa used to possess signs of a modern state formation within their kingdoms and empires.⁵¹ Though there was no written constitution various institutions were set in place to respect and protect people's rights and freedom which was a characteristics of a democratic states.⁵² Moreover, every kingdom or empires used to have their own set of rules within their boundaries which was respected by the other empires which was different from centralization or autocratic political system. Nevertheless, the post-colonization political structure of most Africa countries was taken from colonizers model of centralized, autocratic and dictatorial system which is set with certain ethnic groups and marginalization which until present is causing civil unrest and conflict. Therefore, colonization is long over but their legacy is still experienced Africa.

⁵⁰ Joshua Dwayne, "The Impact of Colonialism on African Economic Development" Settles: US, University of Tennessee – Knoxville 5-1996, p. 8

⁵¹ Julius O. Adekune, Democracy and Political Change in Pre-Colonial Africa, Democracy in Africa political change and challenge, (Julius O. Adekune and Saliba Sarsar Eds), North Carolina: US, Carolina Academic Press, 2011, Pp. 7-17

⁵² Ibid

2.1.3. Africa Under Colonial Rival

Though the initial arrival of Europeans was mainly focused on the economic and social reasons in 19th centuries their initial plan was replaced to conquest when they understood the profitable of the area and population which they assumed to be dark. Nonetheless, though African locals accepted them with open arms as a trading partners, they couldn't accept their changed attitude. As a result, African leaders and their population fought against those colonizers while trying to protecting their lands and people with all their might. However, they could not stand a chance against a giant imperial armies and modern armaments. Therefore, after a lot of fight they were reduced to fragmented guerrilla fighters.

For Europeans being the most industrialized country and regional power was not enough they wanted to be global powers. As a result, when any new empire came to power they industrialized fast, built strong military and placed themselves as one of European powers. However, to be a global power according to the mid-century Europeans required having an oversea colony which satisfies their increasing need of resources and strategic area. As a result, as a new power to acquire an oversea power they had to compete with the traditional powers which led to a violent rivalry. However, acquiring lands did not just applied for Africa but all over the world.

Therefore, starting from the 1870s the seven European countries: Belgium, German, France, British, Italy, Portugal and Spain despite African's resistance started to forcefully acquire their lands. This all started with Belgium king's ambition to establish a personal international trade monopoly over the vast region of the Congo Basin.⁵³ Followed with Otto von Bismarck of Germany, though his initial thought was acquiring overseas colonies was very costly later he was convinced that it was the only way to be a global power. However, since they were late comers in 1884 Bismarck initiated a conference to be held in Berlin presenting certain rules regarding partition of Africa among themselves. This meant, among other things,

⁵³ Decolonization-of-Africa, Ibid

ensuring that there would be some of Africa left to grab for new comers like his own country.⁵⁴

Therefore, to solve the problem Bismarck called a conference in Berlin as it was called by reporters of that time “Scramble for Africa”. In the conference, Europeans divided African territories as their own without any regards to the population or to the boundaries. Boundaries of almost all today’s Africa are the result of the divide and rule policy introduced by the European powers which gave the countries artificial borders in order for the powers to gain control over their territories and have a colonial rights. Those maps were drawn following the Berlin Conference of November 1884-1885. The overt purpose of the Conference was to ‘manage’ the ongoing process of colonisation in Africa (the ‘Scramble’ as it was dubbed by a Times columnist) so as to avoid the outbreak of armed conflict between rival colonial powers.⁵⁵ During the conference the colonial powers shared one objective in that was exploitation. Taking this as starting year, the subsequent 20 years it saw the drawing of borders. This became the basis for the existing boundaries in Africa.

By this way without any knowledge of the boundaries or geographical areas within short period of time, they partitioned Africa into protectorates, colonies and free trade areas. This resolution made by fourteen European Powers led to a bigger conflict and violence among Africans which is still going until present. However, dividing the continent did not end their rivalry rather they also used the continent and its people in their fight during the First World War following with many proxy wars which are still in existence. However, at the end of the First World War when German, Ottoman, and Italy empires were defeated the post first-world-war remnants was divided between British and France as two big empires divided their defeated colonies among themselves until the decolonization. This two powers came out as hegemony powers not only in Europe but also in the global politics. Though they achieve their main goal during WWI but it got reversed during the post WWII when British and French economy was exhausted.

⁵⁴ Ibid

⁵⁵ Matthew Craven, “Between law and history: the Berlin Conference of 1884-1885 and the logic of free trade”, London. rev. int. law, Vol. 3, No.1, 2015, Pp. 31-59

2.1.4. Decolonization and the Cold war

After the Berlin conference of carving of Africa onwards until the decolonization period Africa had encountered a dramatic change. Though tragic but the changes took place in a very short period of time from 1890 to 1910, the period saw the conquest and occupation of virtually the whole continent of Africa with the exception of two states and the establishment of a colonial system.⁵⁶ However, the misconception that African's accepted the intruder with open hands was a farfetched fact. According to Naba, or King of the Mossi (in modern Upper Volta), told the French officer, Captain Destenave,

I know that the white wish to kill me in order to take my country, and yet you claim that they will help me to organize my country. But I find my country good just as it is, I have no need of them I know what is necessary for me and what I want: I have my own merchants also, consider yourself fortunate that I do not order your head to be cut off. Go away now, and above all never come back.⁵⁷

Initially, the attitude of all most all African leaders were similar with the exception of some elites who made a deal with the Europeans in exchange for a modernized weaponry or control over their tribe under the colonizers leadership. However, for most they fought against those intruders but after a long uneven fight they were scattered to a petty guerrilla fighters. While the colonizers took their lands and imposed their colonial control by dividing the countries in to colonies and protectorate. Protectorate was also a foreign rule in which an indigenous Africans governments remained more or less intact but its foreign affairs were taken over by the imperial powers.⁵⁸ After finalising, colonization Africa Europeans introduced different sets of rules and changes in their respective colonies which affected the locals. For instances, ownership of lands colonizers took lands from the locals to give it to the new settlers while the locals were reduced to forced labour in their own lands. Taxation system such as the hut and poll taxation were introduced which

⁵⁶ General History of Africa. VII "Africa Under Domination 1880-1935", California: USA, UNESCO Publishing., Edited by A.ADU BOAHEN, 2000, P. 1-14

⁵⁷ Ibid, however, it was a quote taken from by M. Crowder, 1968, p. 97 as it shows in the book

⁵⁸ David Birmingham, The Decolonization of Africa, Introduction to History, London: United Kingdom, Taylor & Francis e-library, 2009, P. 13

coerced the locals to a forced labour under the white people in order to pay for the growing town to build factories and transportation facilitations.

The taxation system imposed on them was different from what they were used to pay before this period. They used to pay from whatever they produced as a crop that's why it was hard on them when they were forced to pay cash. This created bitterness among the African labourers which were forced to work for the white colonizers which led to growing resistance movements. During the First World War when some empires like Ottoman, Germany and Italy dissolved the post war colonies were divided among France and British. During the wars not only Africa but Africans were also used as proxy against each other either as soldiers directly fighting in the war or forced labour in order to compensate the financial lose they encountered as a result of the wars. As a result, although there were many casualties many industries were created of those wars which led to urbanization of the communities.

When British and French remained in Africa after WWI they started ruling the continent with their respective strategy. Though they shared the same goal of exploitation for profit, France Empire ruled the colonies with more assimilating strategy than that of British. The main goal of the French was to convert the people of Senegal and West Africa to a France citizens with equal rights which they took from the French revolution in order to create a united French empire.⁵⁹ Therefore, those French colonies were provided with equal economic and social rights, and political representation the same like the population of French. In contrast, the British colonies didn't get any right until end years of colonization. As a result, while the British colonies fought for independence some of the French colonies wanted to remain confederated with the French to enjoy the same right like the French population.⁶⁰ As a result, during their independence West Africa signed an agreement for France to keep their influence even after independent which is still continuing until present.

⁵⁹ Laura Fenwick, "British and French Styles of Influence in Colonial and Independent Africa: A Comparative Study of Kenya and Senegal," 2009, Honours Capstone, <https://auislandora.wrlc.org/islandora/object/0809capstones%3A10/datastream/PDF/view>

⁶⁰ Ibid

However, for the English colonies as urban communities and industrialization grew so did trade unions and other movements. In addition, this all brought about an increased in literacy rate, which allowed for pro-independence newspapers and movements to grow.⁶¹ Therefore, combination struggle movements for their freedom and the two world wars exhausted Europeans until they were forced to withdraw from Africa. Decolonization was not a long process as colonization was because it coincided with cold war when two other major powers came as hegemony power in the world politics replacing Europeans and divided the world into two political ideologies.

This period was a period of difficulties for Europeans due to the wars they were involved they have exhausted their coffer which made it impossible not only keeping colonies but also to bring themselves of the trouble. As a result, they turned Washington for financial support which they provided under the Marshal plan. The 1947 was a turning point in the world history as well as US history because it was the period for the birth of the western world and the division of the world under the two blocs.

Whereas, the new African states which were free at last from their colonisation were again forced to lean against one of those blocs. Moreover, colonization had left its legacy living those states to be more dependent on outside powers. As a result, at the wake of independence those states were faced with many challenges. Such as lack of experience of protecting their sovereignty, lack of funds, literacy rate, and no idea of formation of a national state. Therefore, as soon as they started working towards shaping their socio-economic and political development they started seeking guidance from their former colonizers and new foreign powers.

It was impossible for them to succeed as the world was under the hegemonic power of western and eastern blocs which were dominating the world shifting the balance of power. As a result, for those new sates to survive they were forced to lean on one or the other. According to the 1966 speech of the first president of Zambia, “Most of our weaknesses, drive from lack of finance, trained personnel, lack of

⁶¹ www.saylor.org/site/wp-content/uploads/2011/04/Decolonization-of-Africa.pdf

technology etc. we are left with no choice but to fall on either the east or west, or indeed, on both of them.”⁶²

Utilizing this opportunity the western power created a new approach under the pretext of democratization, economic liberation, and economic integration to continue their existence in all the independent nations. However, their goal was not only to help poor countries to be democratic and economically prosper but to maintain their network which was established during the colonial period and setting a new network. Therefore, using neoliberalism as a tool they forced governments to privatize their market, established military bases, set federations and communities, aids, they enforced and took measures against countries which did not adopt their strategy under the name of the United Nations, in doing so they have succeeded in keeping those countries under their control.⁶³

By the end of the 1980s, about seventy of the developing countries were forced to accept the IMF-led ‘structural adjustment program’ which is based on neoliberal theories.⁶⁴ However, like all the developing countries they experienced stagnation, regression, and high unemployment rate, accrued large debts and fell into cycles of debilitating dependency. This situation benefited the powers to retain their influence and network for exploitation, imposed their political ideologies, and got control of the economy, lower tax rate for their corporations, lands and others.

Therefore, as soon as colonization ended those states fall under differ system of colonization that is neo-colonization. Neo-colonization is applied by using vulnerability of the new sates to their advantage of international powers. By offering foreign aids and investments, education, infrastructure etc. they retained their control over those countries. The essence of neo-colonialism is that the state which is subject to it is, in theory, independent and has all the outward trappings of international

⁶² Benjamin Talton, “The Challenge of Decolonization in Africa” <http://exhibitions.nypl.org/africanaage/essay-challenge-of-decolonization-africa.html>

⁶³ Ibid, Husu Nai-chiung

⁶⁴ Ibid, Kalim Siddique

sovereignty however, in reality its economic system and thus its political policy is directed from outside.⁶⁵

However, dependency was not the only post-colonial effect Africa suffered but moving forward as an independent state was also another challenge. Because those traditional colonial powers retained their network with in those states. For instance, France had kept their oldest network with Senegal and other West African state which led those to face the hardest task of post-colonial adaptation.⁶⁶

2.1.5. Post-Cold-war Africa and Europe

After the Second World War almost all the former colonies were decolonized from their colonial masters. However, the colonizers with newly raised powers did not let them gain their full independence rather they retain their control using different strategies. Even during the cold war Washington was far superior to the soviet in many ways as a result they became the drivers of the financial institutions and UN in general. Dollar became a favourable currency through which trades all over the world was conducted. Starting with the First World War Europeans power had started deteriorating however, it was after the Second World War which led to weakening of their power completely. Nevertheless, since Washington as a rising power was the by-product of those powers they created solidarity under the name of west and started ruling the world.

With the rise of a new world order the world politic had shifted dramatically dividing the world into two political ideology. As a result, in order to protect their own national interest the post-colonial states of Africa were divided between those two ideologies. However, at the end of the cold war when Washington came as hegemonic power the previous political powers withdraw their direct hold on Africa living them vulnerable. The withdrawal of superpower patronage, increased "conditionality" of democratisation and structural adjustment imposed upon

⁶⁵ Neo-Colonialism, the Last Stage of imperialism Kwame Nkrumah 1965, <https://www.marxists.org/subject/africa/nkrumah/neo-colonialism/introduction.htm>

⁶⁶ Ibid, David Birmingham, P. 30

governments, and the availability of weaponry to insurgent forces have made a number of African states increasingly vulnerable.⁶⁷

After the Second World War western powers enforced an economic theory with the hope of helping the new independent states to solve the problem which occurred due to war and oil crisis. As a result, they started adopting the new economic philosophy called neoliberalism. However, it didn't spread widely until the late 1970s and early 1980s. Before this period the dominant political ideology of the west for about sixty years was the liberalism which argues about freedom and democracy which is slightly different from the neoliberalism theory as it shows inclination for state intervention in the economy while neoliberalism advocates for non-state intervention in the economy.

Once industrialization was complete, in most developed capitalist countries the state played a relatively limited role in the economy prior to the great depression.⁶⁸ However, following the Great Depression and WWII, when most European countries suffer a great loss a new national social structures of accumulation (SSAs) emerged in the capitalist world in which the state actively regulated the macro economy as well as key economic sectors, nationalized some industries in many countries, and provided a set of social programs that is often summed up as the "welfare state."⁶⁹ Therefore, in the process they did not just nationalize their own nation's economy but the most powerful capitalist states started managing the international economy within the greatest extent.

Throughout this period the dominant political economic theory was Keynesianism and welfare which advocated a mixed economy rather than the full market liberalization which was used during the capitalism economy. According to this theory economic growth can be achieved by ensuring full employment, when employment is achieved it leads to increasing purchasing power of citizens and when

⁶⁷ Hebrat M. Howe & Aaryn Urell, "African Security in the Post-Cold War Era: An Examination of Multinational Ve Private Security Forces," *African Journal Political Science*, Vol. 3, No. 1, 1998, PP. 42-51

⁶⁸ David M. Kotz & Terrence McDonough, "Global Neoliberalism and the Contemporary Social Structure of Accumulation. Social structure of accumulation theory for the twenty-first century," Cambridge University Press, 2010, p. 1 (quoted from Kotz, 1994 P. 64)

⁶⁹ Ibid,

people start to consume then national economy will increase accordingly. Moreover, full employment can only be achieved when the state and central bank of the state intervened in the economy of the country. Keynes also emphasised unregulated markets have no equilibrium devices which will result in creation of employment as a result, state administrations involvement are necessary using differ mechanisms such as fiscal and monetary policy which can be used to control the economy of the country.⁷⁰ Therefore, it was during this period the government controlling mechanisms such as monetary and fiscal policy emerged to control the ongoing economy of the country.⁷¹

However, after thirty five years of nationalizing the political economy of the nations, there was a sudden shift in the economic ideology of the world. As a result, the following years in the mid of 1970s the theory failed to be replaced by the theory of Neo-liberalism.

This sudden shift in the social and economy disruption resulted due to the 1965 Vietnam's War which affected the capitalistic world economy followed with the OPEC oil price crises of the 1970s which had impacted in the global economy greatly. In addition to the failure of the Keynesian economy to provide a solution that could compete with the neoliberalism principle of unregulated market led to the sudden sift.⁷²

As the only solution of their problem neoliberalism took over the global economy starting in the mid-1970s. It was a theory which advocates for freedom of markets and limited intervention of government in the economy of the nation which was the opposite of the previous economic theories. According to this theory the market has to decide what the labour is worth. As a result, neoliberalism has consistently sought to promote the cause of labour market deregulation, this in turn resulted in falling the real value of minimum wage, undermined unions, and

⁷⁰ Sarwat Jahan, Ahmed Saber Mahmud, and Chris Papageorgiou, "What Is Keynesian Economics? The central tenet of this school of thought is that government intervention can stabilize the economy," *Financial and Development* a quarterly publication of the international monetary fund, Vol. 51, No 3, P. 53

⁷¹ While monetary policy talks about controlling the interest rate, fiscal policy takes about control of government spending and tax

⁷² Thomas I. Palley, "From Keynesianism to Neoliberalism: Shifting Paradigms in Economics Public understandings of the economy also matter." 2004, date of access 27/11/2017 http://fpif.org/from_keynesianism_to_neoliberalism_shifting_paradigms_in_economics/

generally creating a labour market climate of employment insecurities causing a widening wage and income inequality.⁷³

Though, the advocates of neoliberal globalization promotes its positive effects such as promising poverty reduction, increasing living standard and better future. In reality it creates unfairness in the intercontinental economy which aids the western economy while protecting their products and forcing the third world countries to deregulate their market. Initially, when it was applied in the western countries it has caused many loss jobs and created a huge gap among the rich and poor giving power to the multinational corporations. However, despite its failure they enforced it to the newly independent countries. Even at present it is used as a tool to by the western powers in their conquest or fight against the nations they deemed authoritarian.

Neoliberalism with its ideology of world-wide market deregulation gave birth to globalization and economic integration. For Africa and other independent states it was introduced as a structural adjustment to solve the problem which was stimulated by inflation which was caused from colonization period and oil crises enforced by IMF to solve the debt crises of the third world.⁷⁴ It was also an economic philosophy which spread globally without having any interest on human value, norms or right serving only the need of those few wealthy.⁷⁵ According to the policies adopted by this economic ideology trading barriers were illuminated resulting in free movement of capital. As a result, the world economy and business regardless of how big or small they were affected by globalization and economic integration. Moreover, it became very hard to survive without integration either in regional or international level. This is due the notion of absolute and comparative advantages which suggests that countries should produce and export products and services which they are good and import products and services from other countries which are more productive.

⁷³ Ibid

⁷⁴ M. D. Litonjua, "The Socio-Political Construction of Globalization," *International review of modern sociology*, Vol. 34, No.2, 2008, P. 260

⁷⁵ Ibid

Although, in theory neoliberalism promised a solution for the economic problem the newly independent countries encountered in reality it left the states with huge debt of interest rate which was accumulated due to the loan they took from those financial institutions. As an international agency positioned to solve problems in the global economy by bringing stability, development, peace and even equality in the world the IMF have brought little to change the situations in the third world countries. Rather forced the countries to be more dependent on foreign aids and foreign direct investments which makes us question the role of IMF program. However, IMF program is designed to protect the interest of some elite groups which provides more funds while opening the gates of the less developing countries for their domination.⁷⁶ Though, direct colonization was long over however, most international institutions under the guidance of the UN serves to protect the interest of the west in order to keep their network with in those poor countries.

Competition was also another factor which needs to be considered. If businesses are to be integrated they need to be competitive in order to survive in the dramatically changing environment. However, if a free market economy is to be applied alongside global integration it would affect the domestic firms of a countries negatively which will force them to be dependent on imports from other countries particularly to those most developed countries. Moreover, when there is no government interventions in the economy and role of trade unions are undermined the corporations will sacrifice the workers' rights for their own interest, labour exploitation and, deducted wages will increase in turn creating an income gap with in the people. As big corporations faced increasing intense competition that threatened their very survival, they turned against state regulations and costly social programs which now were viewed as hindering their ability to compete against foreign rivals.⁷⁷

After independence African states although rich in natural resources were suffering from poverty and economic regression due to continuous exploitation of their resources, war among each other and corrupted governments. As a result, of

⁷⁶ Julie L. Mueller, "The IMF, Neoliberalism and Hegemony, *Global Society*," Vol. 25, No. 3, 2011, Pp. 377-402

⁷⁷ David M, Kotz, "Globalization and Neoliberalism," *Rethinking Marxism*, Vol. 12, No. 2, 2002, Pp, 64-79

many failed attempts to improve their political economy many African countries entered in a global market with the hope of recovering their economy and gain support while encountering the concept of neoliberalism as a dominating ideology. Therefore, during 1980s and 1990s neoliberalism spread as a concept in the developing African countries. However, those countries due to their poor economic situations and their total dependencies on subsidies from the government on education, health, social intuitions, government owned projects. The situation goes to worst form of economic crises and inflation. To solve the issue in 2000 UN Millennium Declaration when a large number of head of states were gathered they adopted a strategy in which all the states regardless of their economic stance had committed to eradicate poverty, promote human dignity and equality, achieve peace, democracy and economic sustainability. Moreover, According to the UN report of 2003, the new century has opened with an unprecedented declaration of solidarity and determination to rid the world of poverty.⁷⁸ However, in reality third world countries they experienced income inequalities, social turmoil, unemployment and the sates regressed towards deterioration.

According to the study made by UNDP after the implementation of IMF programs more than fifty four countries were much poorer than that of 1990s when the economic problem aroused, Poverty rate in more than 21 countries exceeded beyond, children death rate less that age 5 increased dramatically, in many countries the primary enrolment dropped dramatically and the economy of many countries were worse than before.⁷⁹

It is true neoliberalism and global integration transformed those states however, not in what they promised but they made the continent to be economically and politically colonized under the western power. This is because neoliberalism develops one part of the world at the cost of the other parts which was true when we look at the Euro-African, US-Africa and China-Africa relations. Moreover, the concept of economic integration did not apply much to the third world countries as the economically strong powers didn't provide market for these countries products

⁷⁸ "Human Development Report, Millennium Development Goals: A compact among to end human poverty," Published for the United Nations Development Program (UNDP), New York: USA, Oxford University Press, 2003, P. 34

⁷⁹ Ibid

rather they exploit their raw materials to resell them back as finished products to those countries. However, the main concern was although most of the nations which encountered the neoliberalism strategy have failed but still the western forced the newly independent nations towards liberalization of their market this confirms this economy ideology is used by the western to impose their conditions and recipes such as Washington consensus using organization like World Bank, IMF, and WHO to retain their network in the newly independent nations creating neo-colonization. While the most developed nations form alliances to protect their economy (North America Free Trade Agreement (NAFTA), European Union (EU) etc.). Yet, the poor countries in Africa, Asia and Latin America are forced by those agencies to remove their protections against their economy. As a result, this system makes it harder for Africa to be one and create their own trading blocs to protect their own interest.⁸⁰

2.2. History of South Africa

Africa is the second biggest and second populous continent in the world composed of fifty-four states with different languages, culture, religion, ethnic groups, economic situation and political ideology. Therefore, taking the whole continent as a single entity and generalizing is very unwise. Although there are a lot of similarities in their experience regarding foreign interventions, colonization, decolonization, and raising of new states however, there is some differences in their experience, development and economic situation among each other. As a result, for this study of South African history and current situation is taken as a case study for a depth understanding about their experience between the Western and Chinese rise, identify their similarity and difference and their effects to the country in particular.

Similarly to the history of Africa most historical books written about South Africa were written by western authors which were writing from the context of the time they were living as a result, we can notice some commonalities in their works such as: lots of leaping's and start from the late centuries, such as: discoveries by

⁸⁰ Gazilo, "The Implications of Neo Colonialism and Neo Liberalism in Africa on the Refugee Question," Reflection on Human Rights, Social Justice and Peace, Published on 2/08/2007, access date 27/11/2017 <http://giazilo.blogspot.com.tr/2007/02/implications-of-neo-colonialism-and-neo.html>

Portuguese and Spanish merchants, the Dutch, the discovery of the Cape of Good Hope in the 15th century, the white settlers in that area, the discovery of diamond, gold and ivory, colonization era of Apartheid and post-Apartheids which were governing the area for more than 300 decades. Furthermore, they give an insight that civilization started with the white settlers, however, before all of this there had been societies and small kingdoms who live over those areas. Although uneducated, lots of smaller kingdoms used to exist for centuries who were used to the way of life in that area. However, until 1910 there was no single unified South Africa state in those area. Moreover, the early history of the subcontinent was identified by economic and political fragmentation.⁸¹ That's why there are not many histories traced before the discovery of Cape of Good Hope and diamond and gold minerals.

The Republic of South Africa is a nation in the African continent located as its name implied in the southern tip of Africa. It is a state which is geopolitically important as it is surrounded by three oceans. Atlantic Ocean towards its south and west, and Indian Ocean towards its east. This geographical importance placed the republic as a centre of rivalry among the first Europeans before the discovery of gold and diamond and the first colonized states in Africa. However, before all this colonization and discoveries South Africa was composed of different cultures, tribes and kingdoms while some still in existence others moved under different situation over a period of time. Although, they used to be farmers, shepherds, fighters and poets, they used to speak the same language with different dialects.

The modern society of the republic are made up of two different cultures such as the native Africans and the white settlers which emigrated from Europe due different situations.⁸² However, since the native people were illiterate, historians undermine their history as it was a history not worth mentioning and only focus on the white immigrants which were the minorities. As a result there was a great unbalance and bias regarding information provided. However, years later with the

⁸¹ Federal Research Division, South Africa a Country Study, in Rita M. Byrens (Ed), Washington DC: U.S. Government Printing Office, 1997, P.3

⁸² UNESCO, The Historiography of Southern Africa, Proceedings of the experts meeting held at Gabon, Botswana, Published by the UN Educational, Scientific and Cultural Organization, Printed by Imprimeries Réunies de Chambéry, p. 19

help of archaeological technologies and other historical evidences histories have started tracking back the histories.

For thousands of years during the Christian era groups of people used to live in South Africa as hunters and gatherers, and fisher men. They were the ancestors of the Khoisan peoples of modern times-the peoples white settlers called Bushmen and Hottentots. They contributed a high proportion of the genes of the "Coloured" people, who constitute 9 percent of the population of the modern Republic of South Africa.⁸³

Unlike how the western historians put it the pre-colonial history of South Africa had passed through many civilization worth mentioning like all nations over the centuries there had been a lot of transformation in the political economy of the country. For instance, starting from 1000 BC to 250 AC there has been a lot transition in the way the local people used to live starting with hunting and gathering to herding livestock which came after the formation of big tribes and communities. In the following centuries with the arrival of the Bantu people from north they learned a culture of iron farming as they brought tools such as iron. However, this people were living in isolation from the world for centuries until the 15th century the arrival of the first whites.

Starting from the 15th centuries South Africa has been a centre of attraction and rivalry among European countries like Portuguese, Dutch and British. The first Europeans which arrived in South Africa were the Portuguese. In 1487, Bartholomew Dias's expedition of two fifty-ton caravels rounded the Cape peninsula in a storm, anchored in Mossel Bay 170 miles further east, and sailed another 170 miles along the coast to Algoa Bay before returning to Lisbon.⁸⁴ In 1497, his countryman Vasco da Gama led another Portuguese expedition that rounded the Cape.⁸⁵ Although during this century the significance of this area was invisible as there was no much discoveries regarding its rich raw materials. However, it was very significant for Portuguese as they discovered a crossroad for their trade with India

⁸³ Leonard Thompson, *The History of South Africa*, Third Edition, London: UK, Yale University Press, 2001, Pp. 6,31

⁸⁴ Ibid

⁸⁵ Ibid (The Cape was first named by Dias the Cape of storm after the discovery thinking that is a good omen to find a way from Europe to India but it was renamed as Cape of Good Hope by John II prince of Portugal, it is a rocky headland on the Atlantic coast of South Africa.

and Far east, moreover, they benefited from the deals of the spices, carpets, perfumes and precious stones brought by the traders to the area from the east. Initially, they were not interested in colonizing the area they just wanted to establish a trade monopoly to gain absolute control of the area while making a lot of profit from their trade.

To achieve this goal of being monopoly starting in the sixteenth century the Portuguese sent fleets through Cape to the Indian Ocean on the way they fought with the Arab fleets virtually destroying them and began to divert the European trade with Southeast Asia from the ancient routes via the Persian Gulf and the Red Sea to the oceanic route via the Cape.⁸⁶

However, despite the profit they were reaping the area's unfavourable weather condition was very dangerous for their fleets and their constant fight with the locals. This made trading while retaining the port very unbearable as a result they were forced to move to Mozambique which was an area located in the southeast of Africa and southwest of South Africa. In 1595 when the Dutchman sailor came in the cape two things were obvious, first it was the end of the Portuguese trading monopoly over those areas and Cape will become an ideal port to be used by them for shipping fleets from all over the world to trade with the east. However, as its importance started growing other merchants started using the port as traveling from other side was hard and it used to take months to cross to India using the port became necessary. This led to intense rivalry among Europeans. By the end of the sixteenth century, Dutch, English, French, and Scandinavian merchant mariners were also beginning to use the sea route to Asia.⁸⁷ As they travelled they used the Cape of Good Hope Peninsula for supplies and bartering with the locals for flocks in exchange for iron tools and copper goods.

However, until this century their initial goal for arriving in the continent was limited to economic and social reasons. Although, there were conflicts between the traders and the locals, and European traders among themselves there was no colony. However, from the 17th century onwards starting in 1652-1795 the Dutch annexed Cape of Good Hope and called the Dutch Colony of Cape.

⁸⁶ Ibid

⁸⁷ Ibid

The Dutch East India Company was the world's greatest trading corporation. Founded in 1602, the company was a state outside the state. 'Operating under a charter from the States-General (the Dutch government), it had sovereign rights in and east of the Cape of Good Hope, and by mid-century it was the dominant European maritime power in southeast Asia.'⁸⁸

This company became a cornerstone for the modern Southern African enterprises. However, the following years they started bringing white settlers in those areas such as orphans, low classes Dutch citizens, and Huguenots which escaped from execution of European religious war. However, as the population and companies started growing combined to the growing of industries in European the need for cheap labour increased. As a result, they started the transatlantic slave trade from the port of cape to Europe, America and Caribbean's. Moreover, inside Africa they forced the locals from their lands and forced them to work in those plantations and mining's owned by those whites. This slave trade created a lot of difficulties and disrupted of societies in those areas, because the slaves were not only local Africans but from everywhere such as India, Indonesia, Madagascar and other African countries. Initially, the native people accepted the change because they started enjoying the goods which Europeans provided however, later when they started taking their lands and forcing them to be slaves, they started fighting but at the end the indigenous society became slaves like the others.

As a result, wars started to erupt starting from the 1673 and continued occasionally until 1677, however, the same like the other African population the conquest of South Africa was finalized because those locals were not much to those superior armaments and cunning ability of Europeans in creating an internal divisions among the local people.⁸⁹ Therefore, Europeans completely destroyed the way of living of the locals and their political economy for their benefit without regard for the inhabitants. For almost 150 years, the Dutch East India Company ruled

⁸⁸ Ibid

⁸⁹ Ibid

the Cape Colony. During that time, it doled out rights and privileges according to a strict hierarchy based on race.⁹⁰

During those years although Dutch was in control of the area but there was rivalry from British and Portuguese. Although, in 1795 they tried to solve the problem peacefully however, they didn't succeed. As a result, British took it from Dutch but then, only seven years later Dutch took it back and until 1806 it remained under their control. However, starting 1806 it became British colony. While the Cape was the centre of attraction for centuries the societies which used to be farmers in the eastern part of South Africa were not affected until 1830s. As a result they welcomed the invaders in their lands and started trading with them.

Event when they started taking their lands they supported them this is due to the fact the term ownership or autonomy never existed in their culture. However, once the chieftains realised what was happening it was too late as there was not unity among the chieftains to create a joint front against the white invaders and the lack of armaments combined were the main cause of their defeat. Moreover, long before that the white had created conflict among the local chieftains which they used it later to their advantage in their exploitation of those lands and people.

British like the former colonials brought many white from lowly background, traders which were negatively affected during the era of industrialization and missionaries. Therefore, they created societies as their number increased, they started taking lands from the native people and distributed them among the new settlers and the locals did not have power to stop them. Moreover, as their number grew they changed the laws and the ways of living in the society which did not sit well with the Boers.⁹¹ In 1807 a new law of abolishment of slavery was announced and in 1833 forced all the colonies of British to abide by the law to free slaves. This law didn't sit well with the Boers which are used to owning many slaves for their lands as a result

⁹⁰ Liz Sonneborn, *The End of Apartheid In South Africa, Milestones in the Modern World History*, New York: USA, 2010, P. 21

⁹¹ The Boers were the people who arrived during the Dutch colony from France (Huguenots), Netherlands and Germany they settled in Cape Colony of Dutch and became ranchers depending on the black slaves moreover they are today's Afrikaners have descended from them.

they freed the slaves. However, though technically free nothing changed for the local Africans with their previous masters their condition got more sever.

Therefore, as their dissatisfaction grew the Boers left the Cape colony and migrated in the 1835 to a new place towards the north and east parts of South Africa and created a colonies. Although for the time being the British left them and recognized their independence when diamond was first discovered in their land British also wanted to annex those areas. Boers annexed Transvaal and British recognized it ten years later with the discovery of diamond in Kimberly in 1877 and the discovery of worlds' largest gold reserve Transvaal as a result British annexed Transvaal. Three year later in 1880 the First Boer War began between the Boers and British, in which the Boers win and reclaimed their independence. However, during the second war of Boer which took place in 1889 British took Transvaal and the Orange Free State. At the end of the century British succeeded in controlling all the four areas of the present Republic of South Africa as a single state.

Gold and diamond discovery not only attracted Europeans but it led to expansion of South Africa. Particularly Kimberly the city where diamond was discovered and Johannesburg the city gold, both cities which were less populated in the earlier centuries attracted as many population from as all over the world such as Africans, Europeans majority form British, North American, and Australians.⁹²

During the last war of Boers the black locals supported British armies and thought there might a chance that their status can be changed however, with in the treaty that was signed by the British and Boers, they came to an agreement of the union of four areas to forming a Republic of South Africa and decided that black people would never participate in any parliamentary elections. The British ratified the agreement and formed a union dominated by white inhabitants. Which was worst to what they have experienced before.

The union drafted rules which forced the remaining local black farmers to be removed from their land and forced to work for a wage under the white farmers. However, resistance was impossible as the colonizers solved the issue of shortage of employees

⁹² Leonard Thompson Ibid

by bringing 10,000 of labourers from China so as to reject the condition of the local black labourers.⁹³

However, despite the fact that by that time South Africa was being modernized with infrastructures, plenty industries and mining companies' colonizers imposed a law which allowed them to produce only the products required by the main industries in their home countries. Moreover, they imposed tax reforms on the trade policies on imports and exports to suit their needs. As a result, they were forced to import cheap products rather than fostering the local factories to meet the demand of their people and export taxes were set very low to help Europeans to export the raw materials easily. Thus, their raw materials were exploited by transporting it to the home industry in Europe and then imported back to them as finished goods in an expensive price. Therefore, it was the white people and Europeans which reaped the benefit of the discoveries of those raw materials and developments. However, some privileged black Africans were also enjoying the benefit while the majority were forced to do hard labour while living in poverty. However, all the bitterness had given birth to the black revolutionary movements who began to resist the white supremacy.

In 1910 a formal union of Republic of South Africa was established composing the states of Transvaal, the Orange Free State, Natal, and the Cape Colony which completely undermined the black people's rights. Although the white population were a minority composed of only 20% of the population they started passing discriminatory laws in their favour. The first was Natives Land Act of 1913, this law presented a full right of the farmland all over the states to whites and outlawed any rights of the native locals from procuring or renting a land outside the reserve which they were forced to leave.⁹⁴

As a result, the black farmers' land were forcefully taken from them to be given to the white. This helped to eliminate competition among the farmers and made sure the right for capital will be on the hands of whites. Other jobs such as mining, industrial works were also limited to the white people as the black

⁹³ Liz Sonneborn, *Ibid*

⁹⁴ *Ibid*, P. 31

population were only forced to do unskilled labours. To pacify them, the South African parliament passed the Mines and Works Act in 1911. It stated that only whites could hold skilled jobs.⁹⁵ Within the same year the parliament passed the Native Labour Regulation Act in which it established rules for recruiting rural blacks to work in urban areas.⁹⁶

However, the working condition was unbearable therefore, the black people started moving to the cities to find better jobs this created unrest among the white population. This is because the locals started renting houses and working in the factories. The panic led the government to pass the Natives (Urban Areas) Act of 1923.⁹⁷ This act forces black workers to be segregated in the areas where only black people live. As a result, throughout the 20th century the black people struggled against the laws by creating many organizations. Movements such as political movements, labour movements and striking against their masters and government.

However, the year that followed the black Africans halted the movement as a result, when the great depression 1930s hit South Africa hard with the falling price of diamond and gold. The condition led to the harshest living condition of those workers and increased poverty. This in turn created more tension among the white which saw the black as a threat who came to take their jobs. However, in 1940s when everything was back to normal the black mining works started a strike which enraged the white Afrikaners more. As a result, after the Second World War when the world politics started following the same trend of decolonization South Africa's politics took the other direction of extreme black segregation which started from 1947 to 1994.

Under the total segregation policy, the only black South Africans who would be allowed in cities were male workers.⁹⁸ Women, children and elders would be restricted from any movement just had to stay in a limited area. According to system, it is only through apartheid a state can achieve their ultimate goals. Moreover, to

⁹⁵ Ibid

⁹⁶ Ibid

⁹⁷ Ibid

⁹⁸ Ibid

achieve that they have to separate the population according to their identity and tribes. In the 1948s election the United Party (UP) won though they were in power for many years and won the vote the majority of the parliament were taken by the National Party (NP). According to the constitution the power will go to the majority of the parliament which in their case was the NP.

The years that followed the NP amended the laws which impacted the black African even more. For instance, to stop the growth of the mixed-race population, they drafted a law which forbids intercultural marriages and even any sexual contact between people of different races.⁹⁹ They drafted laws which completely segregates the coloured people's lives. Such as, transportation they used, education, public bathrooms, movies and others are examples of their policies. Educations provided were very poor as they believed them inferiors and abolished trade unions. It is due to all this reasons the black Africans started parties and movements against the apartheid system. However, this movements infuriated them more and started arresting their leaders in the pretence of having a connection with the communist. Between the mid-1950s and the mid-1980s, about 3.5 million blacks were relocated to the homelands which was called "erasing black spots."¹⁰⁰

Life for black Africans under apartheid was very harsh those men who were allowed to have a pass to work in the cities couldn't work as a skilled labour or earn equal wage for the same job as the other races. However, when they tried to resist against the government, the government brought another employees from other African countries.

⁹⁹ Ibid

¹⁰⁰ Ibid

Table 1. Difference wages in 1973 under Apartheid system¹⁰¹

Sectors	Africans	Coloureds	Asians	Whites
Clothing	69	80	78	378
Textiles	54	90	103	401
Food	65	82	120	355
Tobacco	86	79	--	359
Wood and Cork	54	82	122	329
Furniture	75	134	142	373
Paper and Products	89	113	142	408
Printing	98	142	156	356
Leather and products	67	92	107	346
Chemical and Products	74	114	151	404
Rubber Products	83	126	127	361
Non-metallic Mineral Products	63	111	148	390
Basic metal	73	145	157	396
Machinery	80	124	180	397
Metal products	75	137	111	405
Electrical machinery	85	122	125	367
Transport equipment	86	133	153	380
Electricity	80	105		415
Gold mines	21	108	102	396
Coal mines	21	58	97	421
Construction	71	138	194	408
Banks	88	106	142	314
Building societies	76	117	165	302
Insurance companies	90	124	227	340
Wholesale	63	95	132	335
Retail	52	77	104	179
Motor	63	98	137	298
Service giving (hotels etc.)	38	61	88	193
Central government	59	163	232	336
Provincial administration	46	75	122	320
Local authorities	54	107	88	331
Railways, harbours, airways	54	72	55	320

However, after a lot of struggle, massive massacre, and arrest of their leaders in the 1994 election with the 90% vote the apartheid system came to an end with the

¹⁰¹ A Survey of Race Relations in South Africa 1973. p. 224-8 and P. 234 Johannesburg, South African Institute of Race Relations 1974

election of black African in power. As this time, Pretoria became a nation composed of heterogeneous mixture of races Black (Native), Coloured (mixed), Indian and White that's why the nation was named the Rainbow state. After 1994 the new parliament started making amendments to the constitution which were enforced against the black population. However, though they got their independence the system which ruled the area for years had its roots which created a challenge for the new government.

At the wake of their independence the new government faced many challenges such as minimize the economic gap among the white minority and the others who were living in poverty particularly the natives, shifting the poor society from poverty to a middle class and minimizing the illiteracy rate. Moreover, the encounter of neoliberalism in 1990s and the apartheid economy legacy also resulted in an increasing gap among the society. As a result, although the political power was in the black Africans hand the economy was controlled by the white minority which created a challenge for the new parliament.

Undeniably, Pretoria has transformed economically after 1994 positioning themselves as one of the richest country in the region. However, until present many black population society are living in poverty. This was mainly caused due to the legacy left from colonization and apartheid in the post state which led to civil fighting, violent riot and racial animosity. Though, when Nelson Mandela came to power the parliament tried to redo the laws which was enforced by the white supremacy. For instance, the Land Act 1913, after independence the black people were asked to register their lands which was taken however, the land redeployment process could not be achieved easily as they expected.¹⁰² In addition, the laws which prohibits black Africans from high level education and work as a skilled workers were also another problems which created challenge for the new government. Those laws had resulted to the creation of unskilled and uneducated workforce which were forced to work with a petty wage affecting the economy of the nation negatively. However, simply increasing wage was not a solution for the new government because it would have led to decreasing foreign investments which the country

¹⁰² Ibid Pp. 95-116

needed most at that time. Therefore, the black people were frustrated with the situation.

Nevertheless, the biggest legacy the previous systems left was hatred, doubting other citizens, and violence against each other and new comer foreigners. In the past years starting from 2008 the rainbow state has been displaced by Medias as Xenophobia state. According to dictionary, Xenophobia means panic and hatred of outsiders or immigrants which comes to take lands, right and create a threat against their jobs. Despite President Zuma's rejection Xenophobia in the rainbow state starting 2008 white Afrikaans, and foreigners living in the state have experienced otherwise. According to Aljazeera news, a serious xenophobic attack has started in South Africa in 2008 killing more than 68 people, 9 people in 2015 and 14 people 2017.¹⁰³ Moreover, according to BBC news, in South Africa thousands of black natives were marching the cities attacking foreigners, robbing and destroying their business and many foreigners died.¹⁰⁴ According to South Africans they have fear that the foreigners are taking their opportunities. The other race South Africans were also scared for their lives. However, according to the interview with some professors, this was the result of the previous system which created a heterogeneous society.

¹⁰³ Hazem Sika (Presenter), "What is behind attacks on foreigners in South Africa?" Inside story, 25th February 2017, <https://www.youtube.com/watch?v=jIyiCrc1c9w>

¹⁰⁴ BBC, "South Africa: Xenophobic violence against foreigners spreads - BBC News," Apr 16, 2015 <http://www.bbc.com/news>



CHAPTER THREE

SINO-AFRICA RELATIONS AND ITS IMPACT ON AFRICA

Although for centuries Africa has been positioned at the periphery in the world's economic system, it did not halt the risen powers to engage in a constant rivalry for a slice of the continent. This is due to the fact the continent provides a potential diplomatic allies, availability of raw materials, cheap labour, and market for products. These factors made Africa a hunting ground for many years. Nevertheless, before independence the perception of mid-Europeans colonizers towards Africa was different. This sudden shift in the importance of the continent was only displayed after their independence when a bipolar new world system came in the global politics which divided and dominated the whole world into two political ideologies. During this period Africa's status shifted dramatically from just a source of economy to a political and strategically allies particularly in aggregate.

As a result, in exchange for a financial support many countries have used the continent as a stepping stone for their economic and political developments. China is one of those recently newly raising powers which has increased their existence and importance in the continent drawing the attention of many in the global arena. Barely a day goes by without mentioning their partnership and how they are devouring the continent making a new scramble of Africa. Nevertheless, how far the Medias, western politicians and scholars displaying about China's engagement or the "New Scramble for Africa" is true?

In recent years, the world has experienced a multipolar world system with the rise of many developing countries however, out of all China is undoubtedly the most significant country when it comes to economy. It has been more than a decade now since they have successfully stretched their influence in Africa, Asia, Central and South America. In contrast to the other rising powers China's economic importance came from the period where they implemented neoliberalism and opened their doors for economic integration however, unlike other countries they did it with the Chinese style through which the government maintained their control on the economy which gave them upper hand in the economy.

Even though their rise in the continent was sudden it was not just limited there, China has increased their sphere of influence in the global politics positioning themselves as the second largest economic power in the world. However, despite the contradictory arguments going around the perception of African leaders and people remained optimistic. This is because African leaders are attracted to the strategy used by Beijing such as their mutual experience under colonization, their financial aid approach which was in line with the African countries strategic plan, the common development goals they share, their usage of soft power and non-interference policy. Their strategy was contradictory to the strategies used by the western powers. As a result, starting from 2006 while the Sino-African relations is prospering the EU-African and US African relations are deteriorating.

Regardless of those reasons Chinese rapid rise in the continent over the past few decades is not just due to their good will to develop the underdeveloped countries rather for variety of reasons of their own. For instance, when China started progressing economically they have successfully shifted their lower class population to middle class, which in turn augmented their need for much bigger areas, more job opportunities, raw materials, and market for their products for their rapidly growing population. Africa as a powerhouse for the traditional and new western powers once again provided an abundant opportunity to the east.

3.1. Background of Sino–Africa relations

Western historians traced African history back to time when Vasco Da Gama's first discovery of the continent in the 15th century giving no importance to the times before that centuries. However, because there was no EU-African history doesn't mean the continent was in total isolation. Sino-African tale traced back to the first half of the 8th century during the Tang Dynasty where they were trading ivory from east Africa.

Historical ruins shows evidences on the China-Africa trade relations long before the birth of Christ, particularly in the coastal area of South Africa. Moreover, in the Silk Road trade period the north and eastern shores of Africa were also included. A trader

from Morocco, Ibn Battuta's travel to China in the 14th century was also another evidence that shows the trade ties which existed for centuries.¹⁰⁵

The Chinese Ming Dynasty navy sailed to the coasts of East Africa many times from 1418 to 1433.¹⁰⁶ Nevertheless, although China was economically strong during those period they never been colonizers or capitalists. As they fondly recollect they never colonized any part of Africa rather they brought giraffe and other gifts for the emperor to admire.¹⁰⁷ In 1820 despite the fact China had been considered as one of the economically powerful nations in the world, they did not display any visible interest towards the continent. However, their interest for Africa shifted in 1949 when the People's Republic of China (PRC) came to power.

3.1.1. China-Africa during Colonization

China-Africa relations traced back centuries ago however, for this paper starting with the Cold War was much relevant because it was a major turning point in the history of Africa, China and Sino-Africa relations. Particularly after the Second World War when European powers weakened which forced them to withdraw from the colonies they kept for years after t suffering a huge loss caused by the war, two major powers came to the world politics creating bipolar political ideology. This bipolarity had played a biggest part in the independence of many Africa and Asian countries.

However, Cold War also left its legacy on those countries post-colonial periods affecting them greatly. The first legacy was the national state model which allowed new states a right for their own sovereignty and territorial rights. Secondly, it provided the countries with an opportunities to play a balance of power between the two super powers and took advantage from it and their final lasting legacy was

¹⁰⁵ Ousman Murzuk Kobo, "A New World Order? Africa and China," Vol.6 Issue, 8, 2013, <https://origins.osu.edu/print/2056>

¹⁰⁶ Deborah Braytigan, *The Dragon's Gift, The Real story of China in Africa*, New York: USA, Oxford University Press, 2009, P. 23

¹⁰⁷ Ibid

proxy wars among each other which is still going at the present putting the states in regression.¹⁰⁸

Unlike African states for China it produced a greatest opportunity not only in gaining their full independence but also to become economically and politically strong as well as increasing their diplomacy with other counties. China has suffered hardship caused by colonization under Europeans and later Japan. The colonization which started after the defeat of the Opium war it continued until the end of the Second World War when Japan was defeated.¹⁰⁹ However, after the 19th century the west couldn't completely colonize the whole country unlike the scramble for Africa and Asia. There could be some logical explanations for this case may be due to Chinese lack of availability of resources (gold, diamond, coal etc.) which the western were interested more or due to its large area and population which could create a challenge for the imperialises etc. which created a challenge even for the Japanese to colonize China entirely.

During the Second World War however, though unsuccessful China managed to keep Japanese at bay while the US and Soviet managed to wipe out the axis forces, in doing so they became diplomatic allies of Washington and the west. As a result, in 1945 when the UN was established China became one of the five founding members represented by Taiwan's party the Republic of China (POR). Starting 1949-1971 a second party came into an existence in China, the PRC which was founded by Chairman Mao of the Communist Party of China (CPC) governing mainland, Hong Kong and Macau, while the POR was only governing Taiwan and nearby islands.

Although the POR was the UN founding member from 1945, they were driven out from the mainland of China by the communist party in 1949. Still, until 1971 they remained in the sit as representatives of China. This does not sit well with the communist party, as a result, to replace Taiwan in the UN assembly they needed a strategy which they utilized during this period. Therefore, when an opportunity presented with the newly independent African and Asian countries they managed to

¹⁰⁸ Jeffrey James Byrne, *Africa's Cold War, The Cold War in the Third World*, Robert J. Mc Mohon (Ed), New York: USA, Oxford university press, 2013, Pp 102-103

¹⁰⁹ Mohammad Shakil WAHED, "The Impact of Colonialism on 19th and Early 20th Century China," *Cambridge journal of China Studies*, Vol. 11, No.2

establish diplomatic and economic relations with those countries in exchange for their solidarities.

Sino-African relations gained its momentum after 1950s when a newly independent African and Asian countries started entering to the picture in the world politics. This period was the time of great shift in the global politics with the obliteration of some great powers and the formation of newly independent states all over the world which led to the beginning of a new world order of Bipolarity through which the world was once again divided politically, ideologically and economically between the two major powers. However, for China opening a new diplomatic relations with those young nations was in the top of their foreign policy priorities.

As a result, in 1955 during a Bandung conference which was held in Indonesia, Chairman Mao Zedong who was the newly head of the state of PRC party met eight African leaders with the intention of supporting the newly independent African and Asian countries with the same colonial past in their struggle for independence by providing economic, military and technical support. This became the initial turning point in the Sino-Africa relations. Those leaders which participated in the conference were from Afro-Asian countries with related experience under colonization joined together with an intention of putting a halt to colonization and neo-colonization. The conference was very vital to the later development of ideas of non-alignment and Afro-Asian solidarity, also served as a key point of origin for the human rights agenda that would be pursued by the decolonized states in the General Assembly.¹¹⁰

The main objective of the conference was to strength Asian-African economic, political and cultural collaboration and fight against colonialism and neo-colonialism.¹¹¹ During the conference Beijing also declared respect for the sovereignty of other nations and promised to avoid interfering in their internal

¹¹⁰ Ronald Burke, *Decolonization and the Evolution of International Human Rights*, Philadelphia: USA, University of Pennsylvania Press, 2010, P. 19

¹¹¹ Kossi AYENAGBO, "Sino-Africa Economic and Chinese foreign direct investment in Africa on bilateral trade relations," *Journal of African studies and developments*, Vol. 7 (7), 2015, Pp 172-182

affairs.¹¹² This was contrary to the policy followed by the traditional colonial masters in addition to the fact that China never had the history of colonizing any nation, this triggered most African leaders to lean towards china for support and partnership. As a result, following the conference their relations continued in mutual diplomatic recognition, frequent exchange of high level visits, and China's aid to Africa.¹¹³ This mutual partnership was very significant to all sides, on the one hand for the PRC party of China as they were in isolation from the international politics and in a very need of support, on the other hand there was a growing need for recognition and economic support for the independent African states. As a result, this partnership created win-win scenario.

In the 1960s when the first representatives from China visited Africa they recognized the states situations exactly as their own years after their independence. Therefore, Beijing proposed a mixture of aid programs to solve the critical and long-term needs by providing technical training programs, industrial and agricultural developments which could be completed by Chinese specialists to be transferred to those states for production.¹¹⁴ For instance, starting from 1960 to 1969 they helped in the construction of Guinea's first oil processing factory (Peanut and Palm Kernel) and a bamboo processing centre, funded for the cigarette and match factory, build a serious of paddy fields for irrigation of rice and a tea plantation.¹¹⁵ Furthermore, the 1860 km Tanzania and Zambia Railroad (TAZARA, Tan-Zam, or Uhuru railway) which connects the copper sites, which was constructed 1970-1975, with the amount of RMB 988 million interest free loan from the Chinese government, is a monument of China's foreign aid to Africa and a symbol of Sino-African relations during the Cold War.¹¹⁶ Though the Tan-Zam project was strategic economic project it was a project linked political as well because the rail road was specially built to eliminate the dependency of the landlocked Zambia from Zimbabwe and South Africa which ruled under the apartheid colonies. Therefore, to protect the copper while transported

¹¹² Jennifer L.Parenti, "China-Africa Relation in the 21st Century," JFQ, issue 52, 1st quarter 2009, ndupress.ndu.edu, p. 11, <http://www.dtic.mil/dtic/tr/fulltext/u2/a515507.pdf>

¹¹³ The Focus: Africa and the Chinese way, "China's policy toward Africa: a Chinese perspective," the newsletter No. 60, 2012 https://ias.asia/sites/default/files/IIAS_NL60_2627.pdf

¹¹⁴ Ibid, Deborah Brautigam, p. 33

¹¹⁵ Ibid

¹¹⁶ The Focus, Ibid

from Zambia to other country from passing through the white minorities area was the main objective of the rail way.

During the period though China was not economically strong however, they managed to provide a great amount of loans and loans cancellation for many independent African countries, undertook infrastructural projects, and sent experts in many sectors as their support for the newly independent nation's national development. The Cold War Sino-Africa cooperation can be explained as cultivating ideological unity using Beijing model of communism, providing technical and military training, financial, construction developments and support the revolutionary fighters in exchange for rejecting Taiwan's identity and gaining Africa's plebiscite in UN and lastly replace Washington and Moscow influence from the continent.¹¹⁷ Therefore, in short it was economical, ideological and political partnership which forced China to strengthen their relation with Africa.

When Washington and Moscow were computing against each other they were forcing the third world countries to take sides with the strategy called "lean on one" one way or another which put a heavy pressure to those countries. This becomes a new beginning for Beijing as a rising power which was in conflict with Moscow to exploit the presented opportunity by joining into the race with their own ideology of communism but different approach. The strategy Beijing used entailed being an ally to the third world countries which automatically reached the hearts of African leaders.

As a result, of their new diplomatic ties and favoured by Washington PRC replaced POR in the UN in 1971. By doing so the communist party successfully managed to represent China in UN while isolating Taiwan from the global politics in general and Africa in particular.¹¹⁸ In the end of 1960s Beijing did not just stop with the alienation of Taiwan but also started working hard to reduce soviets support from Africa. As a result, in 1973 Soviet Union was giving aid to twenty African countries

¹¹⁷ China political focus, "The History of Sino-Africa Relations," <https://sites.google.com/site/chinapolicyinfocus/china-s-return-to-africa/the-history-of-sino-africa-relations>

¹¹⁸ Lloyd Thrall, "China's Expanding African Relations, Implication for U.S. National Security." RAND Corporation, Santa Monice, Calif, 2015, P. 5, WWW.rand.org/t/tr905

particularly focusing to eight East African countries while China spread their own aid to thirty African countries a policy which they manage to retain until now.¹¹⁹ In the process China came out as a guardian angel to the African states replacing Moscow which displayed China's success on winning African leaders.

3.1.2. China-Africa during and after Cold War

Although initially the cold war delivered a major turning point for the third world countries it also placed them in a very difficult position which threatened their sovereignty. However, for China it was different because starting from the 1950s, they decided to focus on their economic development using Soviet model as a result the following years PRC managed to nationalize all the economy. Even though they faced a lot of resistance from the peasants within the following years they successfully nationalized the private sectors. After nationalizing the economy they focused on industrialization with a huge support from the Soviets as they were the only communist party in existence. However, in 1960 the Sino-Soviet relations face a hardship as Moscow started treating China as one of the soviet satellites like other Eastern European countries rather than equal partner which led to a constant clash among Stalin and Moa.

In 1960 Moscow withdrew all their aid and support, followed with the boarder clash over Damansk Island in 1969, and the last and final straw came in 1975 when Vietnam entered the soviet sphere.¹²⁰ As a result, China was forced to develop their own model of communism, diplomatic ties, political and economic development independently. Therefore, when Washington and Soviet elevated their power internationally and imposed the whole world to lean in one of the two blocs, Mao decided to follow their own style of communism while tried to reach out other neighbouring Asian and African countries. Africa though divided between the two ideologies for survival, did not follow either one to the fullest extent. However, as a popular trend of this period the Maoist socialism had impacted many African nations

¹¹⁹ The Dragon gift Ibid

¹²⁰ Chung Chen, Laurence Chang & YIMINZHANG, "The Role of Foreign Direct Investment in China's post-1978 Economic Development," World Development, Elsevier Science Ltd Printed, Great Britain Vol. 23, No. 4, pp. 691-703, 1995

to the greatest extent. This trend led to the birth of guerrilla fighters, freedom fighters and revolutionary movements in which Chinese utilized to their own advantage in their initial stage of rising. China's support to those nationalists' movements brought a biggest threat to Washington and Moscow.

At the end of 1960s China experienced domestic turmoil with the raise of Cultural Revolution and leap year which was promoted by Chairman Mao. This experience resulted in civil war. The same like other revolutions this revolution also resulted in to many casualties, at the same time it also gave birth to some positive results such as democratic ideas which later led to the economic integration of China in the end of 1970s that led to economic and political independencies.¹²¹ During the period they started re-evaluating their foreign policy concerning the two blocs. Nevertheless, though they were communist their relation with soviets had reached at its lowest as a result, they were forced to lean to west splitting from the Soviet. Their split help China to survive the disintegration of USSR.

While the world was still recovering from the wave of the great depression of 1930s the two great wars wave hit the world again causing a great destruction. As a result, Europeans were faced with a huge loss as a result, Washington provided them with the aid program under the Truman Doctrine. This aid was provided to support European countries to recover from the devastation they have experienced during the wars, create a solidarity with US under the umbrella of west and stop the increasing influence of the communist ideology of soviets.

However, once again in 1970 the world was hit by the oil crisis caused by the Organization of Oil Exporting Countries (OPEC) which led to the global economic crisis. This mid 1970s crisis occurred when the OPEC members put an embargo against the US for supporting Israel in the Arab-Israel war. This oil embargo automatically led to the skyrocketing of oil price affecting not only the oil importing and exporting countries but the whole world in general. Furthermore, it led to the fall of British economy, highest inflation rate, unemployment rate and a fight between the head of labour unions and owners of companies.

¹²¹ Mobo Gao, *The Battle for China's Past Mao and the Cultural Revolution*, London: UK, Pluto Press, 2008, P. 19

However, what made this period important was it didn't just affect the capitalist countries but also shook the global economy in general. African countries were affected by the wave greatly, those states which were very optimistic about their future were severely hit deteriorating their national developmental plans living them in huge debt. The flood of high import prices that swept over African economies in the 1970s severely imbalanced their international payments accounts, knocked African development plans out of their traditional moorings, and nearly drowned the new states in a sea of debt.¹²² Even those countries which optimistically started exporting oil after their independence were also hit by the wave, as they were only dependent on the revenue they get from exporting oil. Their revenue can only covered approximately little more than half present of the government's spending while they were dependent on imports of other essential materials. However, as the wave hit the global economy and price of oil rose the price of other products had skyrocketed as well which resulted in a great a shock. As a result, those independent African countries' were facing economic stagnation, regression, poverty and high unemployment rate. Moreover, as oil is connected to all industrial activities many business were bankrupted which increased the unemployment to the highest stage.

To discuss the immediate problem, African leaders met in Nigeria and reported their economic issue to the UN calling for an immediate action with their plan known as the Lagos plan. Accordingly, the World Bank as the UN agency dispatched a team of specialist to study the problem and found out the root cause of their problem was not just the oil shock but initially it was caused by exploitation and unjust global economy which lead to mismanagement, corruption, patronage, inefficient state-owned enterprises, excessive government control and borrowing to support of subsidies and deficit spending.¹²³ However, their solution for the recurring problem was providing them with a neoliberalism ideology that was followed with structural adjustment and the Washington consensus. In the process they provided them with huge amount of loans which they couldn't repay for years to come.

¹²² Willard R. Johnson & Ernest J. Wilson III, "The "Oil Crises" and African Economies: Oil Wave on a Tidal Flood of Industrial Price Inflation," *Daedalus*, Vol. 111, No. 2, *Black Africa: A Generation after Independence*, 1982, pp. 211

¹²³ *The Dragon gift*, *Ibid*

The main goal of structural adjustment was for countries to reduce their deficits by cutting spending and limiting government wage increase, privatization of state owned economy, cutting on import tariffs and eliminating price control.¹²⁴ This was introduced by Margaret Thatcher the British Prime Minister and American President Ronald Reagan. According to them, neoliberalism was a solution to the global economic problem and destabilization of nations which the world was facing. As a result, in order to bring economic stabilization and poverty reduction using the agencies like the World Bank and IMF they enforced the structural adjustment policy in countries around the world as a shock therapy. Along this policy they also provided many conditions within which they have to be followed before accepting any financial support or loan. In doing so they retained their economic control on those countries, enforced their political ideology and placed those poor countries domestic economy under a vulnerable situation against any multinational corporation.

However, the unique part about this whole phenomenon was years ago during the industrial revolution countries like British has encountered this liberalism ideology freeing all their markets it had led them to put their capital in the hand of the few and it had failed however, they still manage to propose against the third world countries.

The Cold War produced overt and covert agendas that created an aid system that was primarily concerned with Northern governments' agendas and their national politics. In spite of the demise of colonialism and the rise of the nation state, Southern governments had limited power to control aid allocations. The ground was now set for the gradual emergence of a deep legacy of patronage and perverse self-serving aid agency practices that generated recipient government dependency.¹²⁵

For China although they were slightly affected by the oil crisis, it brought them another opportunity which was different from other countries around the world. China leaders had long understood the importance of having independent energy source and technology. As a result, starting from 1950s they had started working on

¹²⁴ Ibid

¹²⁵ Caroline Robb, *Changing Power Relations in the History of Aid*, Chapter 2, *Inclusive Aid: Changing Power and Relations in International Development*, Leslie Groves & Rachel Hinton (Eds), London: United Kingdom, EARTHSCAN Publication Ltd, 2004, P. 49

developing their own energy and modernized technology. Although initially they were dependent and were receiving support from Moscow in 1960s they have achieved independent energy. Therefore, when Soviet withdraw their support they were not much affected. While in 1950s China's crude oil production stood only at 3.73 million tons in 1963 they ended their dependency in imported oil and oil products. As a result, from 1950s to 1970s China came out as self-sufficient in energy.¹²⁶ However, regardless of achieving their self-reliance they were vulnerable to the external pressure forced by the Washington and Moscow in achieving their security that's why it was very important for China to have an international support.

Accordingly, after the communist party achieved their international support and take a seat in UN they started exporting energy to other developing countries. Therefore, when the oil crises hit the globally economy they immediately seized the opportunity and started exporting crude oil to the Asian countries such as: Thailand, Japan, Philippines etc.¹²⁷ Besides, Chinese leaders were also alert on the structural adjustment provided by the UN as a result, they were reluctant to borrow much money as they adjust their own state owned economy which protected them from any external influence, conditionality and shock therapy.¹²⁸ As a result at, starting from the end of 1970s not only did communist China replace Taiwan relation with all the third world countries but came out as a donor to those countries gaining their support. Beijing also successfully survived the oil crisis, collapse of soviet and the structural adjustment which opened their way for independent political economy.

After Mao's death China adopted neoliberalism model under different leader Deng Xiaoping and focused on their countries' economic development. As a result, the years that followed they pulled their support from the third world countries deeming it unnecessary therefore, their relation experienced its lowest. However, it is

¹²⁶ Zha Daojiong, "China's energy security: Domestic and international issues Survival" *The China and Eurasia form Quarterly*, Niklas Swantrom (Ed), Central Asia-Caucasus Institute and Silk road studies program. Vol. 3 No. 3, 2005, Pp. 40-45

¹²⁷ Ibid

¹²⁸ Ibid, *The Dragon gift*, p. 45

the new millennia Sino-African relations which attracted the attention of global media, political arena and scholars

3.1.3. China's increasing involvement in Africa 2000 onwards

When the Cold War came to an end China's attitude towards Africa has shifted dramatically causing the Sino-Africa relations experiencing its lowest. The main reason for this was after the death of Chairman Mao when a new leader called Deng Xiaoping came to power they decided to withdraw all support from Africa deeming unnecessary and focused on their own national development program. Deng, although unlike his predecessor opened China's door for international trade and neoliberalism, they did it within Chinese style in which the government retained their control in all aspects of the economy which was a direct contrast from the western style promoted to other countries by World Bank and IMF with the famous Washington receipt.

As a result, while other countries collapsed under a heavy debt, poverty and economic dependencies, it was China which came out as an economically strong nation and placed themselves among the donors rather than recipients of aids. In a way during this period China was transferred from an economically dependent which used to produce little and import most of their products to a gigantic exporting country of the world. This combined with their energy security opened their door for a complete economic as well as political independence which was the opposite occurrence of the African states.

Nonetheless, when China's economy started to grow, they effectively shifted their lower class population into middle class increasing their living standard. In the process they faced problems such as scarcity of raw material, areas for their tremendously growing population and employment capacities. As a result, from 2000 they decided to re-evaluate their policy, making Africa a top priority in their foreign policy. As Africa is a country endowed with untapped natural resources, offers immense market opportunities for their extensive products and have a vast areas for

their growing population in a sense they delivered a perfect solution for their recurring problem.

The policy of revaluation was not only beneficial for China but for Africa as well after suffering a massive debt as a result, of the adjustment program and proxy wars they were also in a great need of monetary fund assistance without any strings attached which was the opposite to the loan they usually get from the World Bank or other western countries. As a result, as a part of recovering their partnership in 2000 The China-Africa Cooperation forum (FOCAC) was established with the main goal of promoting strong trade and investment relations between China and African countries both in the public and private sectors.¹²⁹ The foundation of this forum has led to numerous meetings among the higher political officials, ministries and later Head of states. Thus, there was past relations, it was the new millennium relation which raised a lot of attention and suspicions with in the international arena.

In addition, it brought a lot of arguments among scholars, politicians and Medias regarding this situation. Some go as far to label it as “a new scramble”, “new neo-colonialism” and African resource curse. While many headlines portrait it as an exploitive relationship as such “Into Africa: China’s Wild Rush”; “China in Africa: Investment or Exploitation?” and “Clinton warns against ‘new colonialism’ in Africa.”¹³⁰ In contrast, China and Africa leaders were defending their new relations by libelling it as mutual partnership and win-win cooperation.

Starting from the announcement of one of the most influential leaders in Africa the Head of the State of Zimbabwe, Robert Mugabe “Looking East Policy,” which was controversial to the 2000 policy he promoted about land reform which included dismissing the white landowners for the resettlement of poor black Africans

¹²⁹ Sanou Mbaye, “Matching China’s Activities with Africa’s needs,” Chinese and African Perspective on China in Africa. Axel Harneit-Sievers, Stephen Marks & Sunusha Naidu (Eds), Kampala: Uganda, Pambazuka Press, 2010, p. 40

¹³⁰ David Dollar, China’s Engagement with Africa, From Natural Resource to Human Resources, Washington D.C: USA, The John I. Thornton China Centre at Brooking, 2016

rather he reallocate those lands to Chinese farmers,¹³¹ to the blossoming of Chinese language studies in most African countries, the continent is eagerly embracing Chinese capital, its diplomatic appeals and even cultural trappings at the extraordinary rates.¹³² However, why African leaders with their history of colonisation eagerly accepted Chinese appeal?

Following the year of 2000 there were a great deal of higher officials meetings but it was the 2006 Beijing summit which provided the biggest turning point in the Sino-Africa relations. During the summit not only political leaders but also forty eight presidents out of fifty three African states were present in Beijing for the forum. During the forum Chinese President Hu Jintao stated their new partnership will be encompassed with eight multidimensional cooperation's stated bellow:

Foreign aid and investment, providing special loans, setting developmental funds to motivate china's firms to invest in Africa, support with infrastructural activities (hospitals, roads, houses, conference buildings etc.) through which Chinese companies will undertake the construct buildings, debt termination for the previous matured loans, zero tariff agreements for imports and exports, formation of trading blocks, training man power and technological supports.¹³³

As a result, after the conference the Sino-Africa relations reached its climax while China has positioned themselves as a second largest trading partner of Africa following Washington replacing the EU. Moreover, as promised during the summit investments, aids, loans, debt cancellation, and educational opportunities were also provided without strings attached. The term "Without strings attached" implies there would be no political influence or pressure which comes in return for the investment funds and aids. However, claiming no attachment could be misleading as Beijing's

¹³¹ Peta Thornycroft, "Chinese farmers take over former white-owned farms in Zimbabwe to cash in on tobacco," Mashonaland Central, The Telegraph News, 17 September 2016 <http://www.telegraph.co.uk/news/2016/09/17/chinese-farmers-take-over-former-white-owned-farms-in-zimbabwe-t/>

¹³² Chris Alden, *China in Africa, African Arguments*, Cape town: South Africa, David Philip (an imprints of New Africa books), 2008, Pp. 58-59

¹³³ Full text of President Hu's speech at China-Africa summit (Xinhua) Updated: 2006-11-04 14:30 http://www.chinadaily.com.cn/china/2006-11/04/content_724567.htm

first consensus with Africa was and still is linked political. Seeking Africa's support on the "One China" policy, and as Africa is composed of fifty four states they provide a good diplomatic allies with their votes which has helped China to win in United Nations against the human right claims and others.

Starting in 2007, the China-Africa Development Fund (CADF) was established by the China Development Bank (CDB) as a \$5 billion equity investment fund to assist Chinese companies in expanding into Africa.¹³⁴ Moreover, following the summit, Chinese investment has grown dramatically and more than 800 Chinese companies started flowing since 2006, one hundred of which were medium to large state owned firms.¹³⁵ Chinese government and business have also started to reap benefits from African countries. Especially China became a large importing partner regarding petrol, crude oil and other raw materials such as copper, gold and others from most African countries. As a result, in 2008, trade between Africa and China reached \$100 billion and FDI flows from China to Africa amounted to \$5.4 billion.¹³⁶

¹³⁴ Richard Schiere, "China and Africa: An emerging Partnership for Development" (Richard Schiere, Leonce Ndikumana, and Peter Walenhorst Eds), Tunis: Tunisia, African Development Bank Group, 2011, p. 1-3

¹³⁵ Ibid, Kinfu Adisu, Thomas Sharky & Sam Okoroafo,

¹³⁶ Ibid Richard Schiere

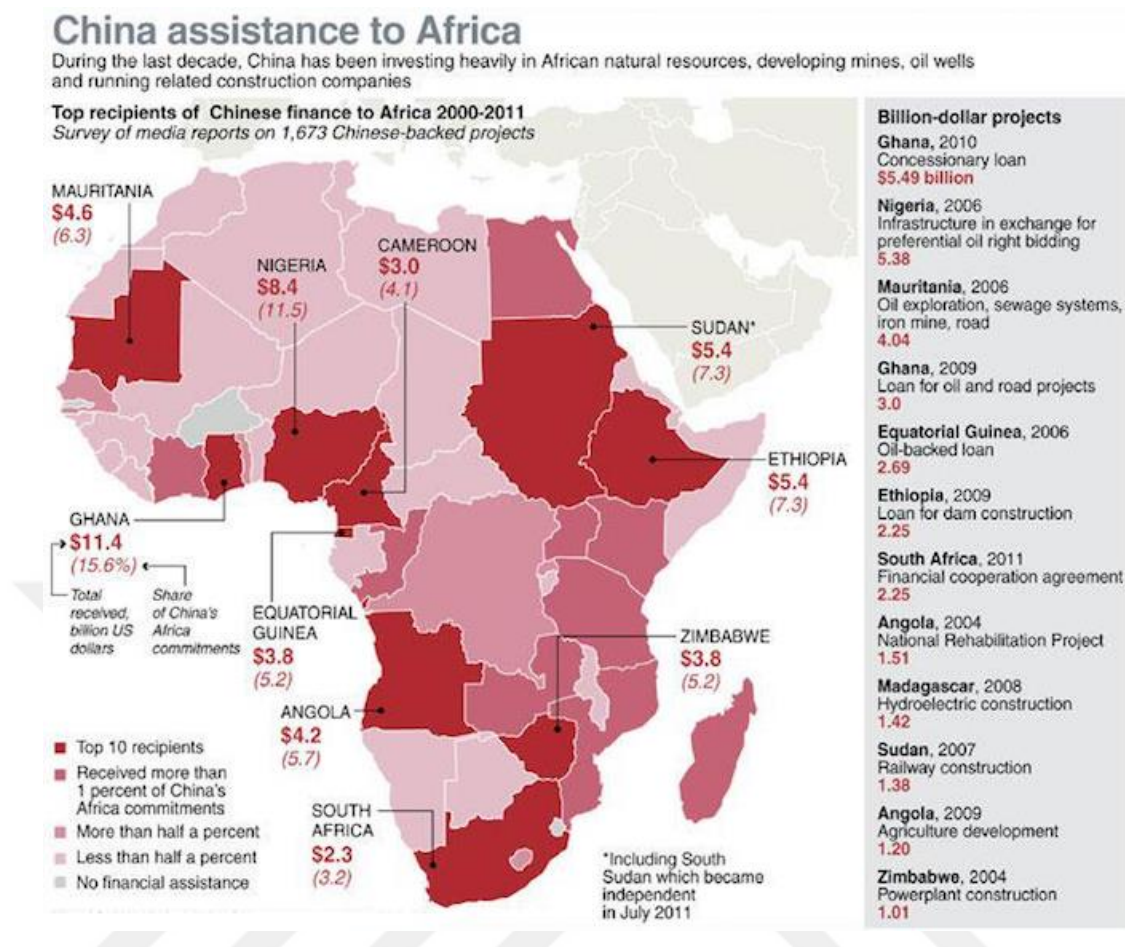


Figure 1. Which shows Chinese investment in African in total from 2000-2011¹³⁷

By doing so China has made a profound impact on increasing economic growth of the continent in exchange for building a network which was previously controlled by western powers. Still, the most peculiar thing about this new era's Chinese approach was not only the government, but also all the states and private actors played also playing a vital role in achieving a maximum relations in every aspect with their own individual goals. The government plays an important role as a coordinator among all the different actors in their interaction with each other and with respective African governments while implementing their own policy.

The public enterprise's goal is to secure sufficient raw materials for their growing economy while the private enterprises set up business within the African

¹³⁷ David Shinn, "The Impact of China's Growing Influence in Africa," World News /12 Jul 2011, international policy digest, <https://intpolicydigest.org/2011/07/12/the-impact-of-china-s-growing-influence-in-africa/>

countries and dump their products with the lowest possible price luring the price sensitive customers in Africa which are the majority. In the process they are drive out the local factories and products which is expensive compared to their price. This in addition to the zero tariff policy followed after the summit has put Africa in a very vulnerable situation of dependency even for the most basic products.

Finally, the Chinese embassy plays a vital role with the coordination of all the activities within the particular countries and also work in transferring their culture using the Chinese centres by creating close relations with the government and local officials by providing funds without any attachments, Chinese language education, scholarships, marital arts, and other events to lure the hearts of many locals. Lastly the people of China driven by their high unemployment are migrating to those African countries with their companies or setting new business of their own while the locals are losing their jobs and lands.

What are the risks for the continent? Although China's rise in Africa has contributed to the economic development of the nation and it is perceived as a win-win cooperation. Contemporary Chinese forays into the heartlands of Africa are motivated more in the single minded pursuit of economic interests than by the solidarity rational of the past.¹³⁸ While China and African leaders are portraying a perfect relations based on mutual respect and support, in the ground level it is different matter. While African leaders are lured to this cooperation due to the non-interference policy, their colonial past, support for economic development and win-win cooperation in reality this is far from the truth. Africa may gain some economic benefits because for China to prosper in Africa, Africa has to prosper however, it is China that will be transform more in its economy using materials and financial resources gained from Africa.¹³⁹

To understand the reality we have to look closely at the swamps in the South Sudan and Niger Delta or even off the wild Atlantic coast of the Gulf of Benin where for twenty four hours oil rig is being pumped for petrol by the locals and Chinese workers which never changed the living standard of the locals while china is

¹³⁸ Ibid, Dorthy Grace Gurrero & Firoze Manji (Eds.). p. 17

¹³⁹ Ibid

transforming as one of the super powers of the world. The virgin forests of Liberia, Cameroon, Mozambique and Congo, where local Africans and Chinese labours are chopping down thousands of hectares of trees for timber to be shipped all the way to some of China's state-owned factories in China. The mines of copper and gold, smelters and iron ore mines in Zambia and Gabon, which had stood idle for a generation but were now working again, this time under the direction of Chinese ownership, or to Ghana, Botswana, South Africa and Nigeria, where China's insatiable demand for minerals had opened up new markets for their products. Led by Chinese petroleum companies flush with massive foreign currency reserves and a strong political mandate, Chinese businesses have been on an acquisition spree for resources across the African continent since 1996.¹⁴⁰

What is more sad is it seems African leaders are selling the countries riches in return for the luxurious building such as the African Union, executive mansions and sport stadiums which was built by Chinese corporations and their own workers while the people of Africa are being unemployed and suffering. Furthermore, the poverty and unemployment experienced as a result of Neoliberalism, was also another factor which resulted to the reduction of purchasing power of the population and opened a way for Chinese to penetrate the market with their low-cost products by controlling the leaders and associating in a long-term relations in which the western market cannot satisfy. Both resulted in driving local industries from market, which led to high rate unemployment, poverty, income inequality, discouraging of civil societies, human right issues, environmental problems, economic dependency and etc.

Though, there are arguments about Chinese corporations playing an important role in an employment creation, however, taking Nigeria's case as an example, a country which is rich in raw-materials previously colonized by the British and now the largest trading partner of China, according to a report, though Chinese corporation has employed 30,000 Nigerians, it fades out in comparison to the 350,000 workers who lost their jobs because of Chinese products.¹⁴¹ This is an

¹⁴⁰ Ibid, Chris Alden

¹⁴¹ Margaret Egbula & Qi Zheng, "West Africa Challenges, China and Nigeria: A powerful South-South Alliance," the sahel & west Africa club secretariat (SWAC/OECD), No 5, November 2011

example of one country but looking at all the countries individually the cases are similar. Tens of thousands of Chinese workers, technicians and managers have been brought to build and run these massive infrastructures and industrial projects.¹⁴² While the educated African youth are being driven out to other countries. Therefore, rather than two-way tickets those nations are moving towards economic dependency and they are at risk of being colonized again under the pretext of economic cooperation.

Lastly as it is shown in the graph below although at first the imports from African countries combined were relatively higher than their exports but starting from 2014 it started to shift as Chinese import focuses only on raw materials and crude oil from the only oil rich countries while their export is swamping over African counties.



Figure 2. Chinese exports to Africa

3.2. China-South Africa Relations

There had been a long history partnership between the Republic of South Africa (RSA) and Republic of China (ROC) (Taiwan) starting in 1624 during the

¹⁴² Ibid, Chris Alden

forty years of Dutch colonization through which Cape and China had shared the same experience under the same Dutch colonizers. Moreover, in 1672 the East Indian Company which was located in Cape previously owned by the Dutch later replaced by British has started business in Taiwan coming as monopoly business in the East Asia. This period opened the Chinese merchants and labourers to come to Cape.

However, it was after the discovery of gold and diamond in South Africa the Sino-South Africa relations takes its root. This period marked the first arrival of Chinese settler's community which were transferred as labourers to work on 4th gold mines of South Africa forming the basis for the first settled Chinese community in South Africa.¹⁴³ Following the mid-17th century another small number of convicts and company slaves arrived, followed by a small number of contract labourers and artisans in the early to mid-19th century and 63,000 contract miners came from 1904-1910 in Transvaal which is a province in South Africa where gold was found.¹⁴⁴

However, when South Africa fall under the Apartheids the Chinese minority were also experienced the same isolation and racism legislations as the black Africans. The RSA and ROC were in a high level bilateral relations supporting each other in the nuclear development programs and economic partnership until the Sino-Soviet split. After the split RSA and ROC relations experienced its lowest and they stopped all their partnership agreements even after PRC came to power in China.

Throughout the following years the black South African community experienced isolation under different colonizers. It is only in 1994 their segregation came to an end after the collapse of the Apartheid when President Mandela came to power. However, prior to the existence of the Republic of South Africa in 1980s when the world was swamp with the new trend of neoliberalism the Apartheid party of South Africa also like the other states implemented a new capitalistic economy. According to the policy all states were forced be globally integrated, privatize their markets, tax and tariff reduction, devaluation of currency etc. under the guidance of

¹⁴³ Chris Alden, Yu Shan Wu, "South African Foreign Policy and China: Converging Vision, Competing interests, Contented identities," *Commonwealth and Comparative Politics*, 54 (2), Taylor and Francis, 2016, Pp. 203-231

¹⁴⁴ Yoon Jung Park, "Chinese Migration in Africa," *China in Africa project*, Occasional paper No 24, 2009

IMF, WTO and World Bank. As a result, initially with the help of the US, initially South Africa has reaped the benefit of selling gold during this period. However, in addition to the problem they were facing with the accumulation of capital and souring gold price they failed under a heavy debt which was accumulated by the interest which they took a loan from those agencies and it kept increasing.

That's why in 1994 after their independence the new republic inherited a heavy debt however, even after their independence Pretoria followed through with the structural adjustment as continuation to which they adopted in 1980s. Although, neoliberalism initially promised economy development, rising of the standard of living of marginalized black society, increased employment, reduction of tax etc. In reality the opposite of what it has been promised happened. Of course the policy has definitely helped the black elites, but has done a little to the marginalized society. As a result, the economy, which was owned by the western remained in their hands even after decolonization however, it changed its face under the pretext of democratization and privatization of the economy. Particularly the state industries were affected which lead to high unemployment rate and created dependencies. Therefore, the Republic of South Africa the same like the other African states were exposed against to the fierce competition.

Therefore, Pretoria was forced to reevaluate their policies and partnership agreements internationally. At the end of the 1990s in order to secure diplomatic allies Pretoria started engaging in bilateral and multilateral dialogs and diplomacies especially with the East Asian countries. After independent, Mandela has kept their diplomatic ties with Taiwan to the point he asked monetary support for his presidential election which Taiwan responded by providing \$ 10 million dollar.¹⁴⁵ Moreover, when rumours started to surface about the possibility of Pretoria's shift of diplomacy to China, Mandela convinced Taiwan of their commitment while trying to convince PRC of the possibility of "Dual Recognition".¹⁴⁶

However, in 1996 Pretoria shocked the world when they officially shifted their diplomatic ties to the PRC rejecting Taiwan's identity. The following year in

¹⁴⁵ Ibid, Chris Alden and Yu-Shan Wu, Pp. 203-231

¹⁴⁶ Ibid

1999 President Nelson Mandela made a high level visit to China to discuss political and economic issues about Africa in general and South Africa in particular. This new partnership agreement did not just opened gate for the rise of China in the South Africa but also provided then with a mutual opportunities. In 2000, China's President Jiang Zemin made an official visited to South Africa, during his visit the two states signed Pretoria Declaration marking an official commencement of mutual partnership.¹⁴⁷ They signed economic, political and defence cooperation agreements. Therefore, as promised the following years Beijing made financial investments in the economic sector mainly in the raw materials and mining.

Politically Pretoria cut ties with Taiwan rejecting their identity giving Beijing their solidarity on the "One China Policy" at the same time as a regional power they provided an important ally while Beijing, as the world's rising power with an influence in the United Nation was also important to Pretoria's foreign policy. Economically, Pretoria provided a vast market opportunity for Chinese products especially after implemented free market economy with privatization and trade liberalization strategy imposed by the Washington consensus, in addition to the riches of raw materials they provide including gold, diamond, platinum, chromium, iron ore, uranium copper and coal which served as an important raw material in the world during the industrial revolution. Moreover, utilizing the free tariff agreement they signed Chinas' products are being dumped to South Africa. According to Beijing those products has increased Pretoria's consumer market fighting inflation while South Africa tells a different story through which due to those products more than hundred thousands of labourers loss their job due to the cheap products. At the end of 2010 Chinese exports to South Africa reached its pick replacing German and USA. Resulting in the declining of local manufacturing goods as a result of competition with Chinese low-cost products.

Furthermore, Pretoria offered shelter for Chinese diaspora not only to those which were already locals but to the constantly growing Chinese population. Starting from 1960s to 1980s approximately more than 150,000 Chinese labourers were reallocated to work in the fields, construction companies, mining, textile etc. This

¹⁴⁷ Ibid

huge labour movements was caused when the black labourers started strike against the segregation and unskilled labour law imposed by the white minority in order to stop them they imported labour forces from China and India. Particularly after the economic integration and China's open policy until present a huge influx of labourers was seen to South Africa as the investing companies come with their employees and other sectors. According to the study made in the Chinese population in South Africa 2004-2006 were 100,000-300,000 grew to 400,000 in 2007¹⁴⁸ right after the 2006 summit.

It has also impacted its international market on which they depended for their revenues. The main reason behind is that South African economy as the a regional economic and political power not only depends on its domestic market but also it is highly dependent on its export to Sub-Saharan Africa countries however, the rise of China in the continent also clouds this market as well. Chinese exports to sub-Sahara Africa increased from \$ 4.1 billion in 2001 to \$ 53.3 billion by 2011. As a result, South African local firms are being driven out of the market due to high competition while Chinese are replacing the control of the markets previously owned by the western powers which again led to dependencies.

In 2010 Pretoria joined the BRIC (Brazil, Russia, India and China) forming BRICS. Although, South African population and economy is less that of Nigeria, it was South Africa who was pushed by China to join to the Southern bloc fighting against the hegemony of West. This is because Beijing has a lot of stake in Pretoria, particularly in banking, infrastructure, mining, transport and renewable energy. In the banking sector for intake Industrial Commercial Bank of China (ICBC) 20% shares of the SASB and as well in other sectors. Furthermore, Pretoria is the largest trading partner of Beijing and diplomatically ties therefore, it was no wonder they pushed them to join the in the group. That's why it easily recognized Pretoria's foreign policy is also designed to protect the interest of China. Not only did Pretoria rejected the identity of Taiwan but also rejects Tibet's independence from China.

¹⁴⁸ Ibid & data also provided by Dr. Giles Mohan and Dr. Dinar Kale, "The invisible hand of South-South globalization: Chinese migrants to Africa," The Open University, 2007

Therefore, what is the difference between China's approach and western powers in South Africa in particular or the continent in general? Though Pretoria came out as an important ally and partner for China constituting more than one-third of Sino-African trade and the leading destination on the continent for Chinese foreign direct investment. However, Beijing didn't provide them with an equal export opportunity for Pretoria's market.

3.3. Foreign Aids and Foreign direct investment (FDI)

Generally there are various sources of fund flows in Africa for their ongoing activities, political and economic developments. Those funds can be classified under domestic and international funds. Domestic funds originates from local revenues, remittance (from the people living in diaspora) etc.; while International funds originates form of Foreign Direct Investments (FDI), Foreign aids, and Developmental funds.

Foreign aids and FDI are a different sources of international funds which are indorsed by rich countries, multinational organizations, UN agencies, Non-Governmental Organizations (NGOs) etc. to support poor or developing countries of the world. Though there are slight differences between those funds in their application and goals but they are also interrelated with each other.

3.3.1. Foreign Aids

According to dictionary aid in general refers to the support or help given to others. In this context however, foreign aid can be defined as resources delivered from rich country to a poor country. Those resources can be in a monetary or non-monetary form. However, we could see a clear existence of inequality among both sides. The tale of foreign aid traced decades back to 1886 when Washington provided their first overseas aid in the form of food followed in 1929 colonial development acts¹⁴⁹ made by imperial power of British to the poor colonies.

¹⁴⁹ Dambisa Moyo, *Dead Aid: Why Aid Is Not Working and How there is a Better Way for Africa*, New York: USA, Farrar, Straus and Giroux, 2009, P. 11

However, the peculiar of this period's aid was European specifically used the aids by linking it with a political reason of control over the colonies.

Nevertheless, the notion gained its momentum at the wake of the Second World War when Washington provided aid to the war-ravaged west European countries in 1950s. In order to support those countries in their economic recovery and reconstruction, at the same time as a demonstration of Washington's solidarity to western countries political ideology which they were following against the spread of the Soviet communist ideology all over the world. Accordingly, Washington provided \$13 billion financial aids to fourteen Western European countries under the Marshall Plan and continued to support other countries with western ideologies like Greece, Turkey etc.¹⁵⁰

Although the aid program provided by Washington brought the war-torn countries economy on track by restoring their economic development and assisted them to stand on their feet, at the same time it also placed them under the guidance of Washington for their policy while Washington exalted as a leading western bloc during the cold war. In the following years learning from their experience from the Marshall Plan westerners started looking for other countries to impose their ideologies and control in return for their aids. Therefore, in 1960 they established the Development Assistance Committee (DAC) to help them identify countries with needs and discuss new ideas regarding the aid and following in 1961 they established the Economic Co-operation and Development (OECD) yoking DAC together.¹⁵¹ OECD was established by thirty five western rich countries for the purpose of providing sets of rules to promote socio-economic development of human beings. Africa as a continent with vast resources but high illiteracy rate, lower income, poor taxation mechanism, un-integrated market, less civilized, and a massive need for aids especially after decolonization were targeted by the rich countries.¹⁵²

¹⁵⁰ Murad Ali & Alam Zeb, "Foreign Aid: Origin, Evolution and its Effectiveness in Poverty Alleviation," Vol. XI, No. 1, March 2016, Pp. 107-125

¹⁵¹ Niyonkuru F* "Failure of Foreign Aid in Developing Countries: A Quest for Alternative," Business and Economics Journal, Office Administrator at SPANCO Charitable Organization Human Resources, Ghana <https://www.omicsonline.org/open-access/failure-of-foreign-aid-in-developing-countries-a-quest-for-alternatives-2151-6219-1000231.php?aid=80040&view=mobile>

¹⁵² Ibid, Dambisa p. 11-13

As a result, Africa started reaping aid benefits from OECD after the start of their independence. After experiencing ruin encountered during the Second World War western countries representatives started discussion regarding setting of financially aids and investments agencies which will help the global economy from ruins which has suffered after the great depression. Therefore, the IMF, World Bank and the Bretton woods institutions were established to protect the global economy from unexpected disasters. Aiding mechanism also connects governments throughout the world either as donors or recipients. Therefore, rich countries started using it as a technique to control poor countries with plenty of raw materials. Particularly recipient countries are more dependent foreign aids even to satisfy the basic need for their people. Starting in 1950s other non-traditional donors started coming to a picture such as China.

Although China was one of the top countries which used to receive international aids both from OECD and Soviet, they shifted from being a recipient to donor decades ago. China became aid provider after PRC came to power in 1949, still a developing country but they managed to provide aids in terms of financial assistance, technical, building infrastructures, educational programs etc. to other developing Afro-Asian countries.¹⁵³ During the cold war when there was an increasing computation among Washington and Soviet to provide aid and financial assistance to the poor countries in the globe in return for their political ideologies and solidarity. China came out as a donor providing economic, political and military aid to the third world countries giving them support in their revolutionary movements. During this period China used aid mainly due to their need for diplomatic allies, support for their “One China policy,” and global recognition. However, unlike the 1960s aid program which was mostly triggered by the Chinese style communist ideology, the new millennium foreign aid agreement was triggered by a need for economic, political and social control over the third world countries.

Aids come in different forms such as: humanitarian aid which was provided against either natural disasters or disaster occurred as a result of wars or conflicts. For instance, during the oil crises of the 1970s Africa was very hard as they were

¹⁵³ China daily, “China’s foreign Aid (White paper): China’s information office of the state council issued a white paper on foreign aid,” Beijing: China, 2011

heavily dependent of oil imports for their all activist. As a result, when the crisis occurred it impacted the new states economy negatively. Therefore, the crisis left them financially ruined, poverty, shutting down of many factories which led to higher unemployment etc. Therefore, as a result of their grievances to the UN, the UN humanitarian agencies alongside other NGO's sent immediate relief of aids and presented them with another solution of structural adjustments and other forms of aids.

A second form of aid comes as a form of charity which rich countries provide gifts monetarily or non-monetarily. Those donors can be from traditional donors which were former colonizers to build a new relation with their previous colonies or new non-traditional donors like China for developing new relations and networks. Foreign aids has helped the continent to transferred socio-economically particularly in the health sectors such as increasing in life expectancy, reducing death during birth for mother and child, malaria, polio etc.; increasing developments in other sectors as well such as in infrastructures, building dams for drinking clean water, recovering mining industries etc.

In order to facilitate these programs a lot of countries, development agencies, NGOs swam in the countries providing aids in return for their ideologies and exploitation of resources. According to the Millennium Development Goals (MDG) of 2000 which was proposed by United Nations Developmental Programs (UNDP) towards the development of African countries aids were provided with the goals of increased education, poverty reduction, reducing of child birth death rate, fighting against HIV-AIDS, malaria and polio, and strength international relations.

Nevertheless, behind all this overseas aiding programs there is a clear hidden agenda of self-interest which comes in exchange for those aids. It doesn't matter from which side the aid is coming the end result is motivated with a self-interest. That's why governments continue to give aid though their own people suffered from unemployment, poverty, and high tax cut etc. Still they continue to provide because it is another control mechanism. Many scholars and theories has back slashed foreign aids, as it is another form of exploitation which keeps poor countries in poverty

while the rich countries remain richer by extorting raw materials and manpower from the poor countries.

One form donors use aids explicitly is for a political purpose starting from the structural adjustments proposed by IMF which forced countries to be more ideologically westernized to the Chinese aid in exchange for votes in UN this creates social, economic and political pressure in the recipient countries.¹⁵⁴ The legacy of the structural adjustment is still in existence in many African countries. After they opened up their markets to integrate internationally, privatize and liberalize in exchange for aids they were given. Most countries rather than economic growth as promised end up being dependent on more aids from the donors' for their fundamental needs.

Trading blocs are very important in protecting the member countries against the growing competition and external pressure. As a result, countries sign agreements as regional or international to protect their interest such as NAFTA, EU etc. However, despite the fact the donors protect themselves by their trading blocs against outsiders western countries have used aid to discourage or disseminate African trading blocs by creating a division or threatening to withdraw their aid. For instance, the Southern African Customs Union (SACU) which is composed of South Africa, Botswana, Lesotho, Namibia and Swaziland was in the verge of collapse due to the pressure placed by EU, this is because EU was threatening to withdraw their aid from the three member countries if they didn't comply to the trading treaty which allow to enter all EU products to their region without tariff.¹⁵⁵

As a result, when China arrived with their non-interference policy in 2000s they eagerly accepted because there is no need to pretend of being reformed. However, all donor states irrespective of their strategies use aid one way or the other but more specifically they use it for imposing their foreign policies. That's why we notice when a recipient country goes against their will donors respond directly by

¹⁵⁴ Joseph Hanlon, "Mozambique: Who calls the shots?" London: UK, Indianapolis University Press, 1991, Pp. 248-250

¹⁵⁵ R. Ilorah, "Africa's Endemic Dependency on Foreign Aid: A Dilemma for the Continent," University of Limpopo: South Africa, 2011 ISSN: 16941225, Pp. 16-17, <http://sites.uom.ac.mu/wtochair/Conference%20Proceedings/50.pdf>

withdrawing their aid programs. China use the non-interference policy clearly to give them an upper hand on providing aids and put the countries in their good will. Moreover, while western portrait the aid given to Africa as poverty reduction, Beijing's portrait it as an economic development and partnership which is the complete opposite from west. This is because China as a country dependent from countries such as Japan, Soviet, UK etc. for years they have experience of being a recipient and what it meant to be a donor that's why during the structural adjustment they were reluctant to accept any aids or loans. Moreover, the constant argument among the traditional and non-traditional donors shows the competition which exists in providing aid in order to extend their control. However, while all aids are similar why west fears Chinese aid to Africa as exploitation? Is there any difference between west and China's aid to Africa?

Both Washington and EU refers Beijing's constant aid flows and involvement in Africa as exploiting of the continent while their aid policy coincides with the OECD developmental goals China's policy is different. For instance, in 2015 President of US, Barack Obama in his trip to Africa, he stated "China has been able to funnel an awful lot of money into Africa, basically in exchange for raw materials that are being extracted from Africa."¹⁵⁶ Moreover, particularly after 2014 when Beijing's aid surpassed both EU and US they started more anxiously warning African governments against Chinese aid program. Obama tried to point out that western aid particularly US aid differs from those of Chinese aid as it is used for a developmental purpose of the third world countries.

While Beijing is not a member of OECD they also lack transparency unlike the western aids as a result it creates confusion and contradiction how much they are offering to individual states and their goals. However, Beijing has managed to position themselves the first donors to Africa. This is due to the unconditionally of their aid which attracted African countries. However, what is clear so far is Washington and China are competing on providing aid to those countries.

¹⁵⁶ Axel Dreher et al, "Many in the West fear Chinese 'aid' to Africa. They're wrong. Here's why." Washington post: US, democracy dies in the darkness, 2015 <https://www.washingtonpost.com/news/monkey-cage/>

Chinese aid are divided in to two the ODA which is partially in line with the OECD development goals and is clearly from a state owned firms while the second one is OOF (Other official flows) which tends to go only to rich natural resources countries and corrupted governments. However, both share the same goal on providing more aids to the countries which didn't recognize Taiwan or do not have Taiwan's embassy and providing more to the countries with more natural resources. Their strategy practically shows their aim is not just for support but for other agenda of their own. Starting from the millennium China has increased their importance in Africa replacing EU position themselves as a second trading partners and donors to Africa. By doing so they have secured availability of raw materials and trade agreement for their products. Moreover, Africa as a strategically important offers a balance of power to them. The following figures shows the aid flow from China and US to Africa starting from 2000-2013.

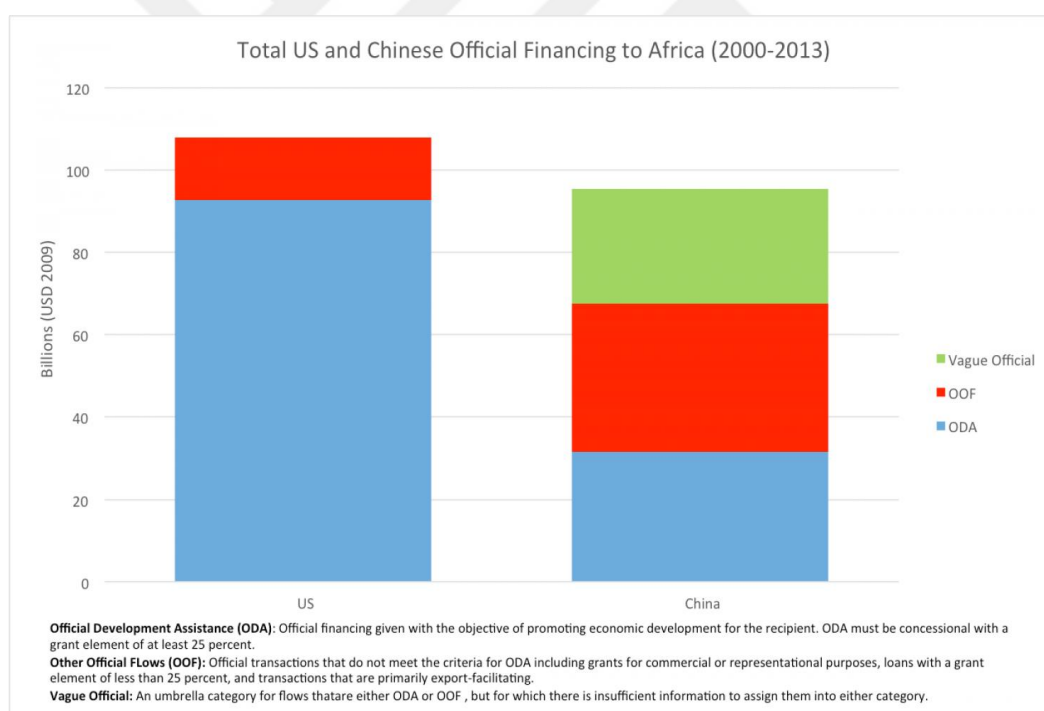


Figure 3. US and Chinese Foreign aid to Africa from 2000-2013¹⁵⁷

However, after 2014 not only did Beijing managed to replace EU but also squeezed out Washington as the first donor and trading partner from Africa.

¹⁵⁷ Ibid

However, this didn't stop the western powers but they are competing using a different aiding strategy by shifting from the humanitarian to others. This figure shows while US aid decreased Chinese aid skyrocketed starting from 2014.

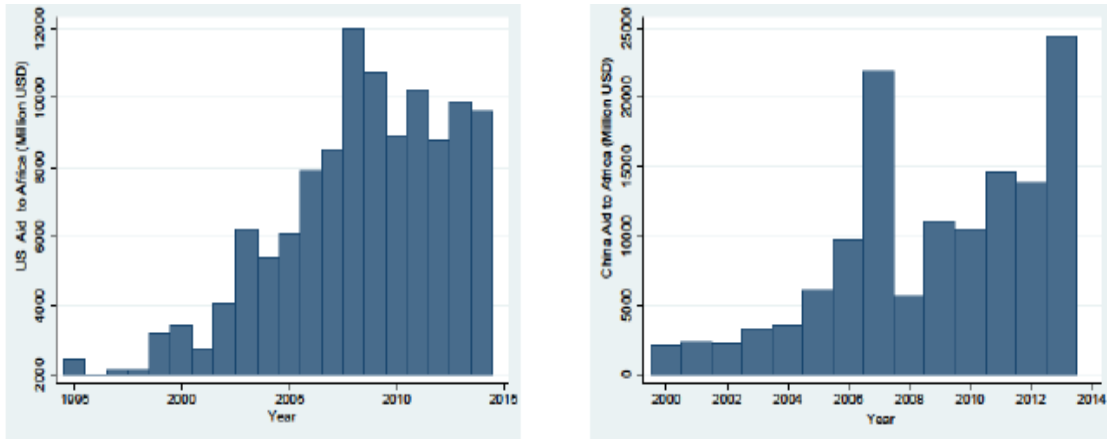


Figure 4. US and China Aid to Africa ¹⁵⁸

When we look at the case of Pretoria individually, though Pretoria is one of the wealthiest countries in the continent, a mass of its population are living under poverty with a huge number of unemployment rate. As a result, they are dependent on many source of fund flow with in which one of the largest is overseas aid. After the fall of the Apartheid in 1994 Pretoria became the largest recipient of foreign aid from US, UK, France, Germany etc. During that period the aids were used more for poverty alleviation and economic development however, it changed very little in the lives of the people. From the year of 2004 onwards they receive US\$460.4 and US\$486 million of total overseas or official development for a year.¹⁵⁹ However, starting form 2006 also Pretoria engage in Bilateral and Multilateral agreements with China which is a non-traditional donor.

The uniqueness about Beijing aid strategy is that it is different from the western aid which makes it attractive to Africa. In addition, it comes without strings attached to it. The aids come with the purpose of tackling the basic need of those

¹⁵⁸ Ailan Liu and Bo Tang, "US and China Aid to Africa: Impact on the Donor-Recipient Trade Relations," MPRA Paper No. 82276, 2017, Pp. 2 <https://mpr.aub.uni-muenchen.de/82276/>

¹⁵⁹ Temitope Leshoro, "Foreign aid and economic growth in South Africa: An empirical analysis using bounds testing," University of South Africa, Journal of Economic and Financial Sciences, JE, April 2013 6 (1), pp. 55-66

countries such as construction projects like the African union (AU) buildings in Ethiopia, buildings and roads in remote areas, electricity etc. and another is in the form of interest free loans which they cancel later those this kind of aid attracts Africans but it puts them in the good will of the donor. Moreover, with all this aids flowing from all sources mostly population in Africa in general and Pretoria in particular many people are living under the poverty line. Which shows aid mechanism does not have change in the economic growth of a nation rather it creates dependency.

3.3.2. Foreign Direct Investment (FDI)

FDI is another form of financial support mechanism which is designed to act as a source of capital from MNCs and state owned firms of a home country to a domestic market of a host country in exchange for a profit. When a foreign company controls more than 10% of another countries domestic market it is called a FDI. The reason for acquiring foreign assets can be explained with combination of factors such as to assert a proximity to foreign market and customers, to find cheap labour cost and lower wages, availability of raw materials, lower cost of environmental regulation, tax holiday,¹⁶⁰ tariff jumping¹⁶¹ etc.

There are two types of FDI used in the global economy the outflows and inflows. The outflows are investments flowing out of a home country towards a host countries economy and the inflows are those countries which are acquiring investments from a home countries MNCs. Africa as a continent with vast availability of raw materials and market has been attracting foreign investors for over a decades now. The same like the foreign aids, FDIs are also provided by traditional and non-traditional actors. However, FDI requires an open economy policy, minimum state regulation and economic integration to operate in a host countries. Nowadays, many African countries have eagerly shifted from foreign aid recipients to attracting FDI for their growing economy. This is because foreign aid has failed

¹⁶⁰ Tax holiday is a tax exemption exercised by an overseas companies in a host countries market.

¹⁶¹ Tariff jumping is when a company invests in the market of a host company they sell directly to the costumers without paying tax on exportation of the products.

them repeatedly from achieving economic development, rather it has left to be more dependent on donor's aid even for their basic needs. As a result, many developing countries like China started to shift their country from being an aid recipient to being a donor. However, to be economically independent requires operating market, availability of capital, technology, know how etc. and FDI provides countries with those factors.

Although FDI history traced back to the Victorian era when British and other European countries used to invest in American and Caribbean railroads, industries, plantation and etc. It gained its momentum in the world in general and Africa in particular after the structural adjustment with the integration of African countries in the global economy in 1990s.¹⁶² This is because, up until independence Africa did not pass through the minds of investors with their history of colonization through which their market was only used by the colonisers. However, with the rise of neoliberalism particularly during and Post-Cold War MNCs realized the importance of the continent as a result, they started rushing for parts of investments in different sectors. During the period, international agencies like IMF and World Bank in addition to the foreign aid they also played an important part in providing and arranging FDI to those economically ruined countries. Though, not a member of OEDC in addition to being a late comer didn't hinder China to grasp the opportunity which was presented as a result of the structural adjustment. For that reason, they managed to place themselves as the biggest trading partner of Africa. As a result, when we rise the subject of FDI Chinese involvement in Africa comes to mind.

Unlike foreign aid FDI inflows are mostly flowing towards advanced and industrialized countries or resource rich countries with an open market policy. This is because for FDI to operate market size, availability of raw materials, government policy is very important. Therefore, developed countries attract more investment than developing. For instance, compared to the advanced countries FDI inflows, in Africa as a whole with the exception of Pretoria in 2000 was \$ 8.2 billion US dollar which was 0.6% out of the world's FDI while Finland a single European state received the

¹⁶² Neil Patterson et al, "Foreign Direct Investment, Trends, Data Availability, Concepts, and Recording Practices," International Monetary Fund, 2004, P. 4

same investment in the same year.¹⁶³ Moreover, inflow capitals to Africa also flows mostly towards the countries with vast availability of raw materials such as South Africa, Nigeria, Ethiopia, Egypt and Angola. According to the studies made the following figure shows the highest FDI inflows in three years 2014, 2015, and 2016 in the world in \$ billions based on the opportunities their market presents from OECD and others. As we can observe although Africa's attraction in FDI is still very low compared to another countries but it doesn't mean there is an investment opportunities.

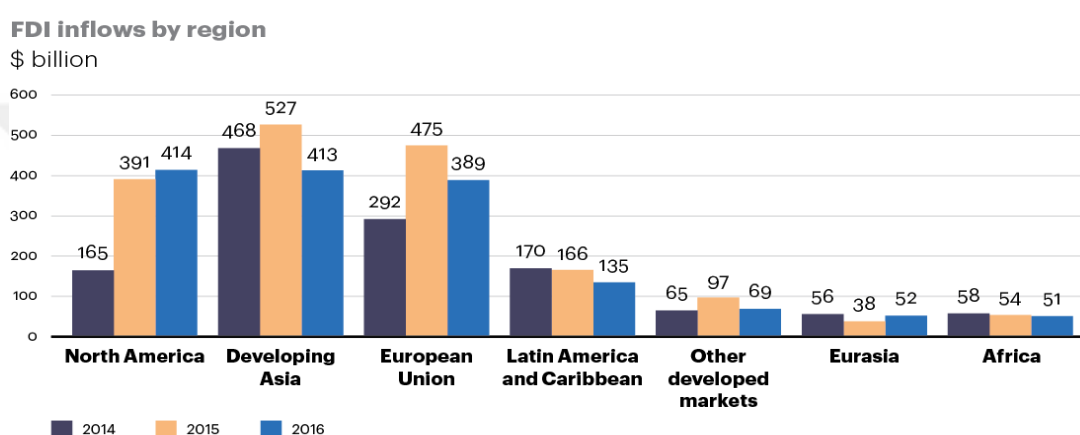


Figure 5. Top destination for FDI¹⁶⁴

The second diagram clearly shows individual countries investment opportunities using index giving score from 0 to 3 depending on the size of the market and the opportunity they present for attracting investments. In the graph, however, it shows only one African state which is the Republic of South Africa, as a country which is the most economically developed country and the top attraction of FDI in the continent. Pretoria's attraction to investment has increased in the recent years from OECD and China. Particularly, after their entry to BRICS their attraction

¹⁶³ OECD, "Foreign Direct Investment for Development: MAXIMISING BENEFITS, MINIMISING COSTS," Overview, OECD publishing service, France, 2002, p. 8

¹⁶⁴ A.T. Kearney: Foreign direct investment index by countries, http://www.southeast-asia.atkearney.com/paper/-/asset_publisher/dVxv4Hz2h8bS/content/id/12144849

to foreign investors has increased significantly from the average US \$ 4bn to US\$ 8bn in 2013.¹⁶⁵

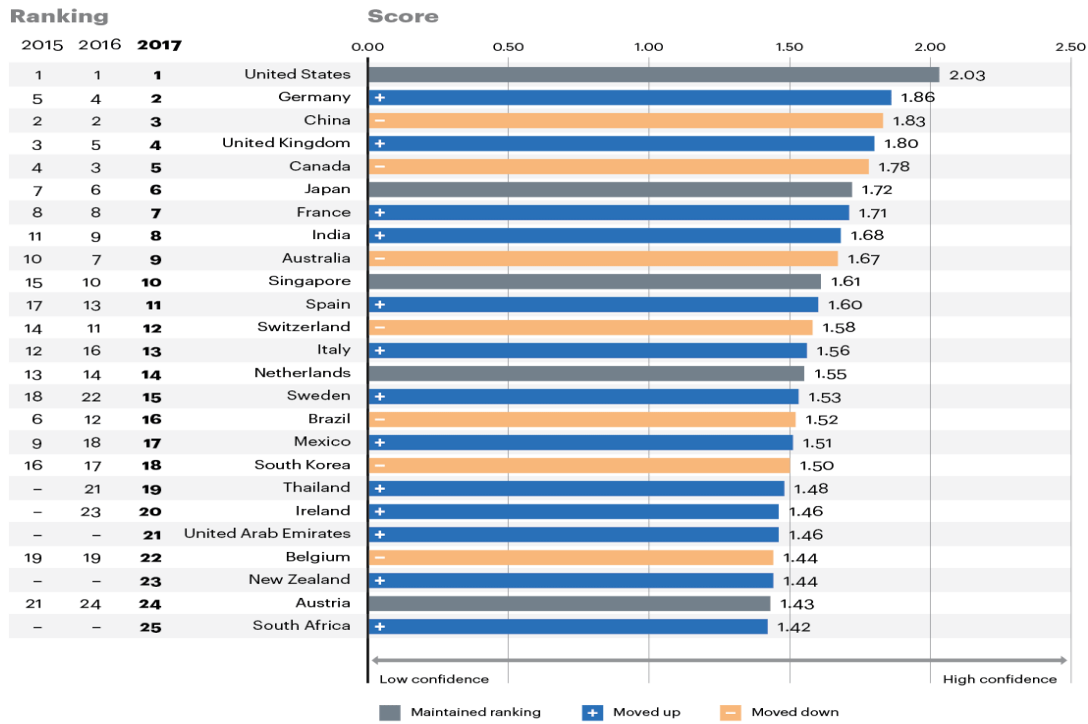


Figure 6. FDI investment index 2017¹⁶⁶

Calculated from 0 to 3 scale with 3 the highest score for maximum market opportunity

However, Pretoria attraction of investment is not only from OECD but China’s investment as well. Beijing’s strategy is different in a way their outflows go more to African than western countries. For instance, according to the study made in 2013 Beijing’s ODI to Africa was US \$ 26 billion while investment to US was \$ 22 billion.¹⁶⁷ Pretoria has initially resisted the inflows from China because especially after their independence they gave priority to encourage black economy as a result

¹⁶⁵ OECD Better Policy for Better lives, “South Africa Policy Briefly,” July 2015, www.oecd.org/southafrica

¹⁶⁶ Ibid, A.T. Kearney: Foreign direct investment index by countries

¹⁶⁷ Wenjie Chen, David Dollar, and Heiwai Tang, “Why is China investing in Africa? Evidence from the firm level,” May 2016, http://www.hwtang.com/uploads/3/0/7/2/3072318/odi_cdt.pdf

they discouraged international investments however, after the Industrial and Commercial Bank of China (ICBC) acquired 20% share of the Bank of South Africa the situation was reserved allowing Chinese investments to boost with \$ 4,807 million in the same year.¹⁶⁸ Nevertheless, the particularity of this situation was that while currently Pretoria is working hard to try to attract investors from all sources, China although increasing in their outflows their inflows cease to exist. Moreover, when we compare China's imports from Africa to China exports to Africa we can identify a big gap. That is what China needs from Africa is limited to securing energy and raw materials. For instance, in 2007 Chinese imports from Africa was 62% fuel, 13% Crude oil, 8% manufacturing products and 17% others when compared Chinese export to Africa is mainly manufacturing products such as textile, leather, electronics etc.¹⁶⁹ This case applies not only to China's investment but also western investors as well while they try to protect from influx of other products by just taking raw materials or semi-finished products they dump their product forcefully in the developing countries market.

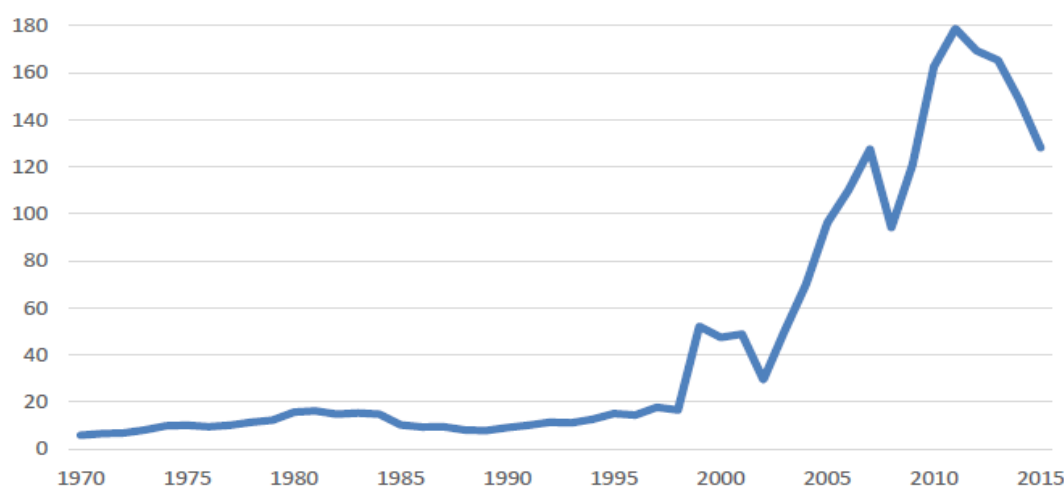


Figure 7. South Africa's FDI inflows in USD billions¹⁷⁰

¹⁶⁸ Huana Meibo & Ren Peiqiang, "A study of the employment effect of Chinese investment in South Africa," Discussion paper, No. 5 Stellen Bosch, Centre for Chinese studies in South Africa, 2013, Pp. 9-10

¹⁶⁹ Ibid

¹⁷⁰ Mark Ellyene & Junyan Yu, "China's success in attracting FDI and lesson for South Africa," Rhodes University, Grahams town: South Africa, Presented Biennial Conference of Economics Society of South Africa, Pp. 2-5, Data from South African reserve Bank

Chinese decreasing in FDI inflows can be explained due to the government control on fiscal and monetary policy. After their economic reform though they enforced economic liberalization policy but in really unlike other developing countries they implemented it using Chinese style of liberalization. As a result, they did not follow the recipes provided by IMF and World bank therefore, when other developing countries economic growth suffered China came out as a strong independent nation.

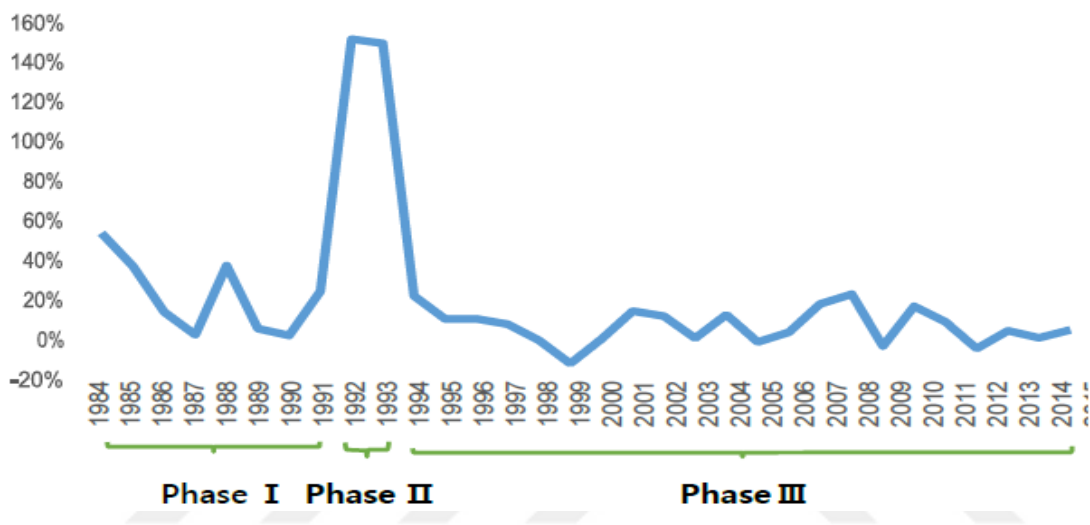


Figure 8. FDI inflows to China¹⁷¹

It is a common fact that FDI play an important part in an economic growth of a host country particularly in the developing countries. This is because FDI provides capital which the countries lack and is designed to help developing countries to achieve their developmental objectives by transferring technology, know-hows, and managerial skills by increasing the ability to be more productive and creative.¹⁷² Moreover, for the sake of their success in their work mncs invest in many infrastructural activities, roads, railways, port etc. However, despite the advantages provided to the host countries there are also many drawbacks caused due to the foreign investments. The same like foreign aids FDI can also be used for a political

¹⁷¹ Ibid, Data from National bureau of Statistics of China

¹⁷² Cézanne Samue, "The Dark Side of Foreign Direct Investment: A South African Perspective," Occasional Paper No. 167, South Africa Institution of International affairs (SAIIA), African Perspective Global Insight, 2013, Pp. 14-15

purposes to control a countries economy. Not all FDI came from international private firms but many companies particularly in China's case there are many state owned firms. However, those private firms are also connected to thier home countries therefore, their dividents go directly to their head qararters in their home contries.

One of the biggest drawback of FDI is it causes a capital flight from the host country. According to economics capital flight referes to the the rapid movement of a capital from a host country to the home country due to economic and political unpredictability. For instance, when a home firm experiences a liquidity shortage they can demand liquidity from the host firm particularly if the firm is in developing country rather than allowing them to reinvest.¹⁷³ Moreover, though the business is conducted in the host country but the their headquarter is located in their home country as a result the dividend is sent directly to their home country rather than spending them in the host country this implies the capital which was prior used as a revenue of the country is now in the hand of another firms.

Secondly, FDI enjoy certain tax exceptions and tax holidays this is because when a country economy is integrated in a global economy they are forced to liberalize their markets from any government interference so as to attract investors however, this policy hurts the domestic markets of the country, that is when an international firms arrive they operate in the market with a limited tax in some cases like Chinese firms the governments agree on zero tariff agreements in exchange for a financial support this leads to an unfair competition with the local markets and end up driving from business. This is because the local markets particularly in the developed countries luck availability of modern technology, capital etc. when compared to the MNCs. As a result, eventual this will lead to high higher dependency of a foreign products, if a country doesn't have a strong independent economic system it is easy for others to control the country. Even when countries want to nationalize the companies it is not easy, because FDI companies can enjoy the tax holidays for 15 years however, after the years they resell the company to another investors which have a right to live the same. As a result, countries has less opportunity to liberalize the companies.

¹⁷³ Ibid

Thirdly, is tariff jumping is also another drawback of a FDI when a company jumps tariff a government losses a revenue which should be collected from tariffs. As a result, when there less revenue governments are mostly forced to depend on foreign aids for their basic needs. Forth, employment creation is another motto of FDI although it is true they create an employment opportunities, China has different approach when it comes to employment. China has managed to shift their population from poverty in doing so they have managed to create employment opportunities to their citizens however, considering to the size of population providing employment in their country is hard.

As a result, to tackle the unemployment problem they encouraged labourers to work in state owned companies investing abroad. According to companies the reason for bringing their workers includes fast operation as their employees have knowledge how the companies operate, their experts know the know-hows and language as the machines are imported from their country, are used to working condition of the companies.¹⁷⁴ Nevertheless, regardless of their reasoning in order to employ their workers they have led to higher rate of unemployment. According to a report, though Chines Corporation has employed 30,000 Nigerians, it fades out in comparison to the 350,000 workers who lost their jobs because of Chinese products.¹⁷⁵

3.4. Chinese loans

In recent years, Chinese engagement in Africa has increased dramatically generating a threat to the traditional powers which are used to control the global economy. As a result, when emerging new powers such as China which is the largest of all emerged in world politics they started warning particularly third world countries against those powers identifying China as a rough donor which have the ability to hurt those countries ultimately. However, regardless of the warnings from west most African leaders seem to desperately encourage Chinese involvement in the continent. Particularly, the new millennium Sino-Africa relations have increased

¹⁷⁴ Tang XIAOYANG, "Does Chinese Employment Benefit Africans? Investigating Chinese Enterprises and their Operations in Africa," *African Studies Quarterly*, Vol. 16, Issue 3-4, 2016, P. 5

¹⁷⁵ *Ibid*, Margaret Egbula & Qi Zheng,

dramatically with individual countries signing bilateral and multilateral agreements and AU also as a whole. As a result, Beijing have reached all but few African countries with their aids, investments and loans in their developmental goals. Moreover, Chinese state owned and private companies are flowing constantly investing highly in many sectors of the economy.

After the ruin experienced after the implementation of SAPs which left countries to be heavily indebted caused countries to desperately looked up for a debt relief programs from the IMF and World Bank. Both the agencies which were dominated by the US provided debt-relief to those countries however, at the same time imposed a lot of stipulations with the credit.¹⁷⁶ For instance, though according to the new independent countries African countries priority they required more spending on education, health, welfare, infrastructure, wages etc. IMF forced the countries to downsize their spending in those basic sectors. As a result, price for all basic needs skyrocketed while indirectly proportional to the wage they were receiving.¹⁷⁷

Which led to a higher rate of unemployment as employers even the government were not able to pay salaries. Though IMF and World Bank imposed those governments to reduce all the basis spending, in order to protect themselves from unwanted strikes they didn't enforce reduction on military spending. By doing so they forced those poor countries to open their economy to the west penetration while the third world countries suffer from poverty, unemployment, dependencies and fall in to high rate of debt. Furthermore, out of all the countries IMF provided debt-relief 11 become dependent on IMF's aid for the following 30 years, 32 depended on the credits provided for years and 41 countries used the credit for ten to twenty years.¹⁷⁸ This shows those agencies forces the developing countries to lose their sovereignty in exchange for grants, aids and loans. South Africa was a different case when Pretoria requested credit from IMF after the price of gold decreased their

¹⁷⁶ Asad Ismi, "Impoverishing a Continent: The World Bank and the IMF in Africa," SBN 0-88627-373-0 July 2004, <http://www.halifaxinitiative.org/updir/ImpoverishingAContinent.pdf>, Pp. 5-10

¹⁷⁷ Ibid

¹⁷⁸ Misheck Mutize, "Why South Africa shouldn't turn to the IMF for help?" University of Cape Town, Cape Town: South Africa, August 8, 2017, Academic rigour, journalistic flair, theconversation.com/why-south-africa-shouldnt-turn-to-the-imf-for-help-82027

request to be pulled out of recession was rejected by IMF though, UN assembly approve their request by 121 vote, 23 absentees and three countries (US, UK and West Germany) against.¹⁷⁹ Furthermore, when a country take a loan from IMF they are forced to pay with full interest rate one way or the other, otherwise they can be isolated from getting a loan or aid from other agencies, investors can withdraw their investment, and the country will be inflated with a weak currency.

As a result, when a new emerging rich power with “non-string attachment” policy like China emerged Africa and other third world countries who were highly indebted leaned to China. Another important factor about China’s loan is that opposite to the western loan they encourage investment on the basic needs of infrastructure, health, education etc. which is in line with the developmental goals of those developing countries which is different form the western approach which forces the countries to cut on their spending on those sectors. Moreover, China provides loan with lowest interest rate or zero interest in exchange for zero tariff exports of raw materials and market for their products in exchange for non-involvement of the developing countries while western conditions of democracy, transparency etc.¹⁸⁰

However, though different but still there is a catch coming with Chinese loans, grants and aids as well. For instance, those developing countries which doesn’t recognize Taiwan, countries with high imports from China, countries with availability of raw materials and corrupted administrators countries deem to receive more than others.¹⁸¹ This is because Beijing is only driving by the economic and diplomatic interest they gain from Africa. As a result, conditionality to where the fund is spent is not in their priority. However, though they provide loan lower than the market value but still according to the agreement more than 50% of the loan must

¹⁷⁹ H. M. L. Beri, “IMF Loan to South Africa, Strategic Analysis,” Vol. 6. No. 9, 2009, Pp. 549-554, 10.1080/09700168209425916

¹⁸⁰ Madison Condon, “China in Africa: What the Policy of Non-intervention Adds to the Western Development Dilemma,” PRAXIS, the Fletcher Journal of Human Security, Vol. XXVII, 2012, Pp. 6

¹⁸¹ Drehere Axel eT el, “China and the Western Donors: More Similar than Different? The Determinants of Aid and Other Forms of State Financing from China to Africa.” 2015, <http://aiddata.org/aiddata-working-paper-series>.

be spent on the materials and goods imported from China or on Chinese products.¹⁸² However, what is the driving force for Beijing to offer this much loans with lowest interest rate, zero interest rate and sometimes also cancellation of debt? Are they only driving by the solidarity of the past?

Chinese main objective starting in the 2000s was to be an economic power house in the world therefore, as part of their plan they have started signing bilateral and multilateral regional and international cooperation around the world. As a result, they have shifted their economy from periphery to core in the world economy. As part of their plan recently they are reviving the Silk Road which used to connect Asia with Arab world however, now they are “One Road One Belt” which will connect China with the whole world. So far 68 countries have been involved in the project however, mostly the emerging powers in them are taking a huge amount of loans and investments which was very hard to repay, this situation has created a lot of concern to the western world because when the emerging countries are not able to pay the loan there fore, China will retain their land until they repay back.¹⁸³ Western Medias are libelling Beijing as a scoundrel debtor which holds governments leverage for many years using grants, loans and aids. Nevertheless, what they are saying coming true step by step when we look at some cases of third world countries which became indebted to China. For instance, in Asia when Sri Lanka could not repay their loan Beijing took a hold of its port called Hambantota.¹⁸⁴ The government of Congo and China has signed a bilateral agreement for an investment of about \$ 6 Million which will be used for construction of cobalt and copper mining, 1,800 miles railways, roads, and other constructions in return of Chinese right to extract 12 million tons of copper and cobalt for the next 25 years.¹⁸⁵ Nevertheless, 25% out of Beijing’s investments and projects constitutes is loan to be paid by any government which signed an investment with China.

¹⁸² Ibid

¹⁸³ Darius McQuaid, “China accused of setting ‘debt trap’ for developing nations with loans they CAN’T repay,” December 22, 2017, [https://www.express.co.uk/finance/city/895670/china-developing-countries-loans-Sri Lanka-Djibout](https://www.express.co.uk/finance/city/895670/china-developing-countries-loans-Sri-Lanka-Djibout)

¹⁸⁴ Ibid

¹⁸⁵ Howard French, “The Next Empire,” *The Atlantic*, May 2010, <http://www.theatlantic.com/magazine/archive/2010/05/the-next-empire/8018/> (accessed April 3, 2018).

In Africa the same like the Silk Road project Beijing is working to connect the continent using railways and roads. This is not a new scenario one of the examples of Cold War work of Sino-Africa relation was known by the Tan-Zam railway. However, during the past they constructed and gave it to the governments while at present they are holding percentage of the companies. To construct a railroad was to command a region the most famous manifestation of this being Cecil Rhodes's dream of linking "Cape to Cairo" through a continent-wide rail connection.¹⁸⁶ Controlling a region means to control that regions economic, social and political activities by keeping competitors out.¹⁸⁷ This is the main goal of China at present that's why they are providing huge amount of loans, grants and investments to the third world countries which they can't repay for years to come. Therefore, thought differed approach both east and west loans and investments have the same interest.

3.5. Chinese and western impacts In general in Africa

3.5.1. Economic impact

After years of isolation in 1978 China emerged with an open economic policy reaching out to the global economy using soft power in order to become a continental economic powerhouse. To achieve their goals they required an international partners with energy, vast resources, market for their products, and an international support. As a result, in the late 1990s China started pushing through with diplomatic and economic ties regionally and internationally by signing bilateral and multilateral agreements. Africa composed of 53 country with an aggregated votes which has already supported China when they were isolated and against Taiwan's in 1971, presented another opportunity to Beijing. As a result, in the following years Beijing has put their foot print in most African countries with the exception of few countries.

For decades, before independence European imperialists had played an important role in shaping the political economy of Africa. At the wake of their independence when two major powers came as a hegemonic power in the global politics, African economy was too dependent and weak on the colonial masters which made it hard for those countries to survive without economic support from

¹⁸⁶ Ibid

¹⁸⁷ Ibid

others. Therefore, in exchange for a political ideologies those independent countries leaned towards east, west or both at the same time for survival. As a result, the modern political economy of Africa is shaped mainly by the impact of the international powers legacies and the Cold War which forced the countries to integrate in global political economic system. Nevertheless, though the sates gained their independence nothing changed because the economy of the countries remained either partially or fully in the hands of those traditional and emerging powers multinational companies and few elites.

During the Cold War when Africa started optimistically working towards its national development with a full control of their sovereignty they were hit again by the oil prices shock. As a result, they were forced to look up to the west for aid relief, grant and loan. The SAPs which was imposed as a debt relief after colonization and the 1970s oil prices crises by the IMF and World Bank allowed western power to retain their control on the resources and market of the countries. At the same time, it opened doors for non-traditional emerging power such as China, India, and Brazil etc. During the first China's emergence in 1955, Africa was in a state of economic devastation as a result of colonization, revolutionary movements, isolated and global crises. However, though they have supported some African countries in their fight against colonizers and has created a treat to both powers, their impact was limited to minimum economic and Chinese style communist ideology.

However, their second emergence after 2000 Beijing came out as a guardian angel to the developing countries with their new strategies shocking the world with their large amount of loans, loan cancellations, investments opportunities both from governmental and non-governmental investors. Though western Medias and presidents warned developing countries against Chinese investment most leaders particularly African leaders accepted Beijing's support as godly sent opportunity. As a result, in the last decades Sino-Africa trade has increased dramatically replacing US-Africa and EU-Africa trade. Recently, Beijing's products are overflowing African markets creating competition with the local products of those countries. Particularly, manufacturing goods such as textile, leather, electronics, machines etc. While China has secured energy availability from Angola, Sudan, Nigeria etc. and other resources from other African countries to sustain their economic growth.

The same like China others powers such as US and EU are also depends on energy security and natural resources from Africa which triggered the already existing competition. As a result, recently due to the competition from China, western changed their approach towards Africa from aid based to an investment and partnership. Although, this situation gave advantage to Africa, as African leaders are trying to play a balance of power on the opportunity presented by those powers. However, this competition is very risky to continent while trying to take advantage between the powers they might completely lose their sovereignty.

In Pretoria's case after ANC party came to power, the new government encountered an economical problem due to various reasons. Primary, due to the fact that the economy of the country was controlled by the former colonials of white minority and few coloured elites which made it impossible to change the life of the black poor population which was oppressed. Secondly, when the world was hit by the oil crises it was hard on Pretoria because they couldn't get a loan from IMF and World Bank although approved by the UN but because the west was against them they couldn't get support. However, at the end of the cold war with the new trend of the structural adjustments enforced by west they adopted the neoliberalism and economic integration. However, though at first the result turned out to be positive but with time the price of gold decreased rapidly as a result, South Africa as a country dependent mainly for their all affairs from the sales of gold was hit very hard with a high inflation rate. Furthermore, the international market which they were forced to be integrated before they become ready for competition was too risky for Pretoria's as well as other developing countries economy because they were lost in the competition while many of their local markets were driving out others fall in the hands of multinational cooperation's.

As a result, prior to China's emergence western cooperation's and their home countries had made a greater impact in the economy of those nations. China unlike the west didn't force their way to Africa however, they took the opportunity presented during the economic integration and using their colonial past to approach the developing countries. The strategy they used was the many attraction to African leaders. Although, in 1995 Beijing's export to Pretoria ranked 10th, in 2010 they

became the largest trading partner replacing Dutch and US.¹⁸⁸ Particularly, after China joined the WTO in 2001 their trade with Pretoria increased rapidly.

Table 2. This table shows the Percentage of China's penetration on industries products of South Africa¹⁸⁹

Manufacturing products	2000	2010
Meat, fish, fruit, vegetables, oils & fat	4.1	4.3
Milk Products	0	0.8
Grain milling and animal feeds	0.2	4.1
Other food products	0.5	4.1
Drinks	0.1	0.2
Spinning and weaving	10.1	43.5
Other textiles	12.1	38.2
Knitted and crocheted fabrics	13.8	66.7
Fashion	51.9	75.1
Leather products	17.7	49
Shoes products	40.6	76.8
Saw milling and planing of wood	0	5.8
Wood products	5.2	24.6
Paper products	0.4	8.6
Printing	0.9	5.7
Related services	10.2	43
Coke oven and petroleum products	10.6	2.8
Basic Chemical	3.5	12.6
Other Chemicals	1.7	7.2
Gum Products	2.5	23.1
Plastic Products	7.7	22.3
Glass products	6.7	38.6
Non-metallic mineral products	7.3	25
Basic iron and steel	3.6	16.4
Non-ferrous metals	2.3	9.4
Structural steel products	1.5	17.8
Other fabricated metal products	9.9	32.2
General purpose machinery	5.1	23.8
Special purpose machinery	1.5	17.8
Household appliances	17.8	62.6
Electrical motors, generators and transformers	6.2	23.4
Electricity distribution and control apparatus	1.8	12.8
Insulated wire and cable	4.2	24.1
Accumulators and batteries	5.9	28
Electric lamps and lighting equipment	21.2	59.9
Other electrical equipment	3.2	18.8
TV, radio and other electronic equipment	3.9	33.5
Medical, measuring and controlling equipment	2.8	9.6
Motor vehicles	0.1	3
Bodies for motor vehicles	0.7	32.6
Parts and accessories for motor vehicles	0.8	8.6
Other transport equipment	1.1	3.8
Furniture	6.1	48.1
Other manufacturing	21.3	48.7
Total	4.9	18.5

¹⁸⁸ Lawrence Edwards & Rhys Jenkins, "The Impact of Chinese Import Penetration on the South African Manufacturing Sector," *The Journal of Development Studies*, Vol. 51 No. 4, 2015, Pp. 447-463

¹⁸⁹ Ibid

The table above shows the percentage of import penetration of Beijing to Pretoria's economy and the rapid raise in the percentage after 2000. China's exports mainly penetrations lies in industrial products which is the complete opposite of Pretoria's export to Beijing which is mainly composed of raw materials. Looking at the table particularly in the Knitted and crocheted fabrics (66.7%), Textile (75.1%), footwear (76.8%), house hold appliance, electronics etc. China controls very high percentage however, they have a great influence in other sectors as well. Particularly after Beijing and Pretoria signed a Free Trade Agreements (FTA) Pretorian markets became over whelmed by Chinese cheap and low cost products.

In the interview conducted with Mr James Lennox, CEO of South African Chamber of Commerce regarding impact of the FTA agreement of Sino-Africa in general and South Africa in particular he stated that though for a market to prosper fair competition is necessary, China presented unfair competition to the local manufacturer.¹⁹⁰ This is primary because while the local companies were following a set of regulations to conduct their business Chinese companies as a result to the FTA were entitled many benefits of zero tariffs. Secondly, according to him the timing was very wrong because during the time of the signing the agreement Pretoria were undertaken projects after the fall of white supremacy on the Black economy empowerment, skills development, social-responsibilities, fighting against HIV/AIDS, transportation and motivation the domestic markets.¹⁹¹ Lastly, commented about how the agreement was more of political kind that economical rather than signing an agreement that influences and harms all the sectors within the country's economy signing one by one would have been better.

Moreover, there is a contradictory arguments among the governments and the public in many African countries regarding the concept of exploitation by China. For instance, in 2012 FOCAC China-Africa conference held in Beijing, President Zuma South African president implied Sino-Africa cooperation is based on mutual and

¹⁹⁰ South Africa Institute of International Affairs (SAIIA), "Free Trade with China: A View from the Board Room," African Perspectives, Global insights, 25 April 2008, <http://www.saiia.org.za/archive-eafrica/free-trade-with-china-a-view-from-the-board-room>, Date of Access: 21 April 2018

¹⁹¹ Ibid

parallel benefits.¹⁹² While Dr. Chris, the Head of International Affairs of South Africa, warns against non-alignment of interest when it comes to Beijing-Pretoria trade cooperation as Beijing's industrial products have negatively affected domestic production of the country.¹⁹³ Although Pretoria is an economic power house in Africa and less affected by China's penetration when compared to other African nations. However, due to an increased competition their domestic markets have suffered completely.

In addition, the South African economy is also highly dependent on its exports to Sub-Saharan Africa countries (SSA) however, the rise of China in SSA also clouds this market as well. Chinese exports to SSA increased from \$ 4.1 billion in 2001 to \$ 53.3 billion by 2011.¹⁹⁴ Of course, with the constant increase in investments and aids, China will become the largest trade partner with the SSA, replacing South Africa. This is because China's one-third of energy imports depends on SSA countries. Therefore, in order to secure the energy they increased their investment by US\$170 billion in 2013 while more than 2200 corporations operated in those countries.¹⁹⁵ Nevertheless, Chinese investment in those countries not only affects Pretoria's economy negatively but also the SSA countries as well because from the start they have been hindered to exploit their comparative advantages so that they can have a room for manoeuvre.

Finally, although it seems BRICS created a great advantage to the South African economy by providing for their products. In reality, South Africa is losing a huge market share to the BRIC members in all African markets with the exception of Zimbabwe. This is because compared to the other members, South Africa has very little labour force which can satisfy the needs of other African countries while the other members produce mass production with a limited labour cost. China's, Brazil and

¹⁹² Mail and Guardian, "South Africa and China in awkward embrace," 2012, <https://mg.co.za/article/2012-07-19-south-africa-and-china-in-awkward-embrace>

¹⁹³ Ibid

¹⁹⁴ "Chinese Competition and the restructuring of the South Africa manufacturing," Dev research briefing 4, Economic development –trade, University of East Anglia, 2012

¹⁹⁵ Miria Pigato & Wexia Tang, "China and Africa: Expanding Economic Ties in an Involving Global Context," 2015, <http://documents.worldbank.org/curated/en/241321468024314010/95161-REPLACEMENT-FILE-PUBLIC-China-FDI-Africa-conference-Final-1-May-2015-Final.pdf>

India competition creates the largest threat to the South African economy particularly in the value added processed food products.¹⁹⁶

Therefore, though Chinese preaches about support to the developing countries without interference but in reality they have created economic dependence on their markets.

However, recently some African leaders are fighting against China's economic penetration in their countries. For instance, in the forum held in Kigali, Rwanda from 17-20 March 2018, African leaders met to sign an African continental Free Trade Area under the theme of "Creating One African Market." Although, in principle this agreement could be a solution to African problems and prosper without international interference, some countries such South Africa are hesitant to sign the agreement for the fear of over flowing Chinese products in many African countries resulting due to the FTA signed with China.¹⁹⁷ Nevertheless, Africa can achieve an economic development when they work together with each other using the absolute and comparative advantages. Moreover, forming economic blocs will protect their market from the penetration of international products.

3.5.2. Political impact

Naturally when a country's economy is controlled by a foreign power or when a country depends on their revenue from foreign aids and investments they waive their right from making political or foreign policy decisions. Any country which receives \$1 bin from a foreign country, it's those who pay the piper that call the shots.¹⁹⁸ There is no denial on the usage of aid as a political instrument at the global level it was used to secure votes in the UN and in the national level countries have used aid using MNCs and NGO's to manipulate and shape developing countries

¹⁹⁶ Rod Sandrey, "BRICS: South Africa's way ahead," Summary, tralac publication, 2013, p. 14

¹⁹⁷ Justina Crabtree, "Migration and cheap Chinese goods worry South Africa's largest trade union group over pan-African free trade," CNBC News, 28 March 2018, <https://www.cnbc.com/2018/03/28/migration-and-cheap-chinese-goods-worry-south-african-largest-trade-union-group-over-pan-african-free-trade.html>. Access date: 21 April, 2018

¹⁹⁸ Ibid, Joseph Hanlon

foreign policies to their interest.¹⁹⁹ Economic colonization in another form of neo-colonization through which western countries used to get control of the developing countries at the wake of their decolonization.

It was as a result, of those legacies and constant control which hindered African countries from moving forward with their developments. Therefore, although independent those countries were still forced to pay taxes to their former colonial masters. As a result, starting from the time of colonization until present African politics was dictated and influenced by international powers. With time the powers differ replacing each other based on their importance and superiority however, they have played an important part in influencing the political conditions of those countries.

IMF and World Bank are specially designed by the Europe and US to retain their control over the developing countries and their raw materials. Any country or a leader objecting to those agencies or didn't abide by their rules will be outcaste and was forced to be labelled as terrorist by all nations. For instance, Ghana is an African country with abundance in natural resources particularly in the production of rice however, after their independence from British when they asked for loans from IMF and World Bank, they were forced to cut subsidies offered to the farmers which produce rice in exchange of financial assistance. As a result, when the government agreed to cut the subsidies the country which had the ability not only to feed the entire nation but also could export to other nations as well were forced to depend on importation or rice from countries such as US.²⁰⁰ Another form of economic control through which the western used was control over the price of the global economy particularly African products they forced them to cut their prices for their raw materials and open their markets for a foreign penetration.

However, Africa rather than learning from their past mistake and work together to solve their problem by removing themselves from dependencies, they again started leaning towards China for financial support in hope of getting financial

¹⁹⁹ Ibid

²⁰⁰ Africa and The World, "How the World and IMF destroyed Africa," <http://www.africaw.com/how-the-world-bank-and-the-imf-destroy-africa>

assistance without strings attached. Though, the non-string attached principle of China was the main attraction to many developing countries, Beijing's engagement was nothing but political. Although, unlike the west in many cases Beijing has been reserved from directly telling the administrations of the countries how to run their states focusing only on their big investments and exports to the countries. Nevertheless, even the start of their interaction in 1955 was influenced by China's need for diplomatic relations with countries which could vote for the "One China" policy in exchange for financial support as a result, while supporting to those countries which cut their diplomatic ties with Taiwan they cut their relations with those which accepts Taiwan's relations. However, during 1950s Sino-Africa relations their influence was limited from those developing countries though China created a threat to Washington and Moscow.

During the 1974, at the UN assembly meetings Chinese President Deng Xiaopia in his speech implied that it is impossible for China to change their colour and become exploiters super powers.²⁰¹ However, in 2006 when foreign secretary of British visited Nigeria he implied about the similarity of China with the colonial masters by saying what China is doing today is the same to what British done 150 years ago.²⁰² This is true when we look closely in many African countries cases China's companies are exploiting using the FTAs signed with individual countries and continent in general in exchange for loans and aids. Recently, it has been quite common to follow Medias advertising how China has made debt cancellation from Africa and other developing countries however, what we don't notice is that how much leverage China has on those countries. While the governments stick with their notion of non-interference policy it is quite obvious that China started to slowly deserting their initial disguise of soft power.

For instance, Zambia is an African country who are Chinese biggest partner since 1950s and as a result, of their partnership China has built a big railway which connects Tanzania and Zambia. Furthermore, starting in 2000 they have received a lot of investments and aids from China. Zambia is a country which have second

²⁰¹ Giles Mohan & Marcus Power, "New African Choices? The Politics of Chinese Engagement." *Review of African Political Economy*, Vol. 35, No. 115, Pp. 23-42

²⁰² Ibid

biggest country which has Chinese immigrants and business owners this is due to the vast availability of Copper in Zambia through which Chinese companies are extracting for 25 years agreement in exchange for the loan they have received. However, the people of Zambia are working under a worst conditions under the Chinese companies. As a result, during the 2006 election when a new Presidential candidate which supports the local people and was preaching against China's exploitation. However, China sabotaged the election when Li Baodong, China's ambassador in Lusaka, warned of cutting diplomatic relations with Zambia if voters elected Michael Sata, opposition candidate as the president of Zambia.²⁰³ However, although many locals were shot by Chinese owners when they strike against the working condition, the government moved with their request.

In 2007 also in order to secure the oil which Beijing import from Sudan they have alerted the policy of blocking UN Security Council resolutions that authorized peacekeeping troops for the contested region of Darfur and subsequently placed modest pressure on Khartoum to allow a deployment of UN forces.²⁰⁴ In 2011 South and North Sudan War though, initially China sided with the North Sudan Government by selling armaments against the South however, with the availability of oil in the South they reevaluate their policy to support the South. As a result, starting in 2014, Beijing despatched military forces to South Sudan as part of UN Peace Corps. Furthermore, in 2016 China have established a military base in Djibouti a country in a horn of Africa with a strategic importance through which the Babel Mendel straights can be connected with the Suez Canal and Red Sea with the Gulf of Aden.²⁰⁵ As a very important geopolitical location China has managed to place their military base alongside US, France and Japanese Military base. In addition, they are building maritime bases to join the coastal areas of Ghana, Senegal, Gabon and

²⁰³ John Reed, "China intervenes in Zambian election," South African Correspondent, Financial Times, 5 September 2006, <https://www.ft.com/content/d6d5d176-3d0a-11db-8239-0000779e2340>

²⁰⁴ Christopher Alessi and Beina Xu, "CFR Backgrounders: China in Africa," Council on Foreign Relations, USC University of South California April 27, 2015, <https://china.usc.edu/council-foreign-relations-cfr-backgrounders-china-africa-april-27-2015>, Date of Access 28 April 2018

²⁰⁵ James M. Dorsey, "Gulf crisis expands into the Horn of Africa, and China sits in eye of the storm," China-Africa Relations, 13 Jan 2018, <http://www.scmp.com/week-asia/geopolitics/article/2128064/gulf-crisis-expands-horn-africa-and-china-sits-eye-storm>, Date of Accession 28 April 2018

Cameron.²⁰⁶ In short, this and other cases can explain on the shift of China's Soft power moreover, like the west, India and other developing countries China's interest lies on securing energy supply and become a global power therefore, without respect to other developing nations they are competing against traditional and non-traditional powers to achieve their goals.

Generally, nation's foreign policy is very important in shaping the countries identity and protection their national interest. However, if we look at most African countries cases their foreign policy is rather shaped according to the interest of foreign powers than their own. This happens when countries let others control their main sector of their economy. For instance, South Africa's policy was controlled by many powers in the past in different times therefore, after their independence it was very hard to protect their interest when their policies was aligned with other powers for years. When non-traditional powers with plenty of financial assistance came to the picture it created a challenge to those countries to engage with those new powers while still struggling to cope with the traditional powers and their receipts. At the same, this situation will led to losing of national identity and self-interest.

Since 2010 South Africa has joined the BRICS as the fifth member with the invitation from China. There are a contradictor argument and commentaries about why South Africa was chosen to become the member. This is because, if we look at the other four members and their population RSA is less industrial and less in population. However, South Africa is economically dominate and power house of the continent which gives the other members an opportunity to extend their geographical influence which they are using it to the maximum. Moreover, RSA influence in the SSA countries is another opportunity to the South-South cooperation (SSC) initiative by China. In general, BRICS is designed to challenge the economic and political domination of western countries donors particularly against the neoliberalism ideology.

For RSA being a member create an advantage and disadvantage for instance, RSA is getting Chinese investments and funding for their development actives

²⁰⁶ Ibid

including technological know-hows and experts. While, Russia is planning to support them in their nuclear plan furthermore, since joining BRICS an export opportunity for RSA products are open in the member countries which helped the export unit to grow from \$5 billion in 1995 to \$ 25 billion in 2011.²⁰⁷ However, at the same time the RSA markets are also inflowing as a result of the agreement. BRICS has also given China and India more dominance in the African Market which hindered not only RSA but also other African to industrially develop. As a second, world growing economy Africa is a perfect destination to Chinese products and people however, if Africa starting to depend on their own industrial products Chinese influxes will be halted therefore, for China to protect their interest they have to control those nations important sector. However, unless African countries develop industrially they will always remain dependent on other powers like before. For instance, China, is firstly making serious inroads into South Africa, secondly it is making it extremely difficult to exploit the 'home' markets in Africa, and finally it is also making it difficult to develop exports outside of South Africa's high-tech auto sector to the US, the traditional developing country manufacturing export market.²⁰⁸

Therefore, for Africa in order to avoid economic enslavement, they have to come up with a mechanism which benefits their own self-interest while dealing with the powers. This can be achieved by either unification or trade partnership among themselves, the self-reliant economy in which they have to protect their own industries or playing against the powers and other mechanisms that can help African states. This is because economics and politics are directly proportional getting control of the one will lead to the control of the other. African leaders must be aware that aid is just like anti-pain medicine which works only for a while, rather than accepting aid they have to come up with a different mechanism to develop the continent.

Finally, although the initial stage of neoliberalism promised economic development, market freedom, employment and self-determination to developing nations, but it has resulted in economic dependencies, high unemployment rate,

²⁰⁷ Thebe Mabanga, "What BRICS can do for SA and Africa?" Mail & Guardian, Africa best read, 07 July 2015, <https://mg.co.za/article/2015-07-07-what-brics-can-do-for-south-africa-and-africa>

²⁰⁸ Rod Sandrey, "BRICS: South Africa's way ahead," Summary, tralac publication, 2013, p. 14

income gaps and etc. Similarly the rise of China in Africa is resulting the same as Neoliberalism however, many scholars and political leaders are considering it as a Godly sent opportunity which comes without string attached in the investment. However, particularly African leaders should look back at history and should develop a mechanism which would help them in their relation with international powers without letting their country being exploited.

3.5.3. Social impact

For centuries, African society has been victims of an intense international competition and interference which affected their lives to a great extent. The competition and interference of overseas empires was mainly caused due to the availability of resources in the continent, its geopolitical and geographical importance. However, regardless of the richness of the of their countries for those people it was a curse as it brought them constant predators while they live in poverty. Those international influences can be divided under three categories economically, politically and socially. Those factors are interlinked together and it is difficult to explain the one without affecting the others. However, studying them individually will give an in-depth explanation to what extent those interferences affected the continent and its society. Accordingly, the social impact of foreign powers in Africa can be explained with in differ timelines.

The first biggest impact came from European merchants with the beginning of the slave trade. When slave trade started African people were forced to be sold as goods to a foreign countries, foreign language, forced to change their religious and were forced loss their identities. The transatlantic slave trade had separated families, created unbalance among the population of many African countries and had totally destroyed the cultures. As a result, of slave trade the West African population declined by more than 2 million from 1700-1850.²⁰⁹ This loss of population was not only in the west of Africa there were also in another costal of South African areas through which populations were lost. What's more was the transatlantic slave trade

²⁰⁹ Herbert S. Klein, *The Atlantic Slave Trade*, 2nd edition, New York: USA, Cambridge University Press, 2010, P. 127

manly affected the strongest, the youngest and healthy men and women of the society which could have a power to work, change and protect their societies. It was no wonder Africa had little resistance against colonizers when they arrive to take their lands and resources after the abolition of slave trade.

The second impact came after European imperialists conquered almost all parts of Africa. In order to protect themselves from a possibility of a war disaster which might have occur as a result, of a colonial race in Africa, Europeans decided to divide the continent among themselves. As a result, in the conference held in Berlin under theme of “Scramble for Africa” without care for the people, culture and ethnic groups in order to control those areas and their raw materials Europeans made artificial borders and boundaries separating tribes. Those careless divisions didn’t just affected the people of Africa during those times however, it played a vital role in shaping modern African people which is characterised today by civil unrest, boarder fights, fragmentations and even xenophobia. Before all this international interferences African society eagerly accepted outsiders and were involved in trade with them providing them with raw materials. However, with the rise of new comers which resulted to a competition Europeans greed climbed to grabbing lands of the locals while using them as forced labour with a meagre wages. When the locals tried to resist against this treatment Europeans responded by bringing outsiders like Chinese and Indian labourers to take the jobs of those locals. Therefore, there was no hope for African people rather than obeying the laws provided by their colonial masters. Furthermore, they destroyed and assimilated African culture, language and religion, their way of life and took everything of a value from them.

Colonization has been over decades ago however, their legacy is still in existence in the African society. No matter how much European imperialists tried to justify their conquest to civilize the uncivilized society and industrialize the Dark Continent. In reality, they exploited the resources of the continent while making little changes in the society’s life or the countries. Even during the post-colonial era only few elites who got the opportunity while working for the west. However, the majority of African population were driven out of their lands, forced to work as labourers of those who took their lands and hindered from getting education. As a

result, in the wake of decolonization it was hard for those countries to survive without financial assistance, technical know-how and technology from their colonial masters. Finally, while holding the name of sovereign state they were unable to have a say or take a decision based on their countries self-interest administration which is still operating till present.

Nevertheless, modern day colonization greatly differs from the traditional period, because after decolonization foreign powers didn't come directly and pressure the countries for their ideology, language, economic and political control as they used. They just need to control the most important factor of the country such as its economy, finance, technology, technological know-hows, domestic and foreign policies. However, by doing so they are put a leverage on the developing countries which forced the countries to comply with the rules of those powers. Although, this strategy was initially used during the Cold War when eastern and western blocs were competing for the control of the world politics and economy. Recently with the rise of non-traditional powers the competition reached its peak stage which makes it intense for the developing countries.

Predominantly, after US and UK imposed the neo-liberalization policy to those developing countries manly fresh out of colonization and part of the soviet union as a shock therapy with the help of IMF and World Bank, not only did they took leverage of those countries but also forced them to open their doors for non-traditional powers and their multinational corporations. China for instance, took advantage of the presented opportunity to penetrate the markets which was used to be controlled by the traditional powers of west. This is because according to the policy the countries were forced to liberalize their market, integrate in global market, non-state intervention, removal of trade barriers etc. The Chinese system is a cornerstone because the political commitments to neoliberalism across the globe have created perfect conditions for global corporations to exploit the uneven geography of labour.²¹⁰ However, the removal of those protections exposed the

²¹⁰ Rob Lambert & Edward Webster, "The China Price: The All-China Federation of Trade Unions and the Repressed Question of International Labour Standards, Globalizations," Volume, 14 No. 2, 2017, Pp. 313-326, Referenced from Harvey, D. (2002). Spaces of hope. Edinburgh: Edinburgh University Press.

countries and their people for more exploitation, forced labour, unemployment, poverty, huge income gaps and dependency.

In contrary to the Washington consensus China came with a non-interference policy of their own with the Beijing consensus attracting African leaders and their people. Although, after 1978 Sino-Africa partnership experienced its lowest at the end of the Cold War driven with the need to secure energy and diplomatic partners they re-evaluated their foreign policy. However, mostly after 2000 Sino-African agreements more than 10,000 Chinese corporations started working in Africa, many of which operating in South Africa as an economic power house of Africa and one of the largest trading partners of China. This situation has created a very important employment law implications, both for the Chinese companies looking to establish themselves in South Africa, and for the South African employment landscape.²¹¹ Of course, there is no denying that Chinese companies have created an employment opportunities for many Africans however, the cost benefit analysis of those companies employment creating is still creates a contrary argument among many. Though, international policy of those countries regarding FDI and FTAs agreements has given those companies a right to work in every sector of the economy and protects them against any situations. Scholars, trade unions, chamber of commerce and the people of South Africa has been complaining about the treatments of labour, environmental protection and protection of local products.

So far there have been many reports regarding the environmental and labour law violations in South Africa against Chinese companies. In January 2017, for instance, the Congress of South African Trade Unions (COSATU) reportedly challenged government to act against Chinese companies that were allegedly employing undocumented Chinese nationals to replace the locals.²¹²

Nevertheless, compared to other African countries case South African problem is least as the government is stronger than other African countries in which those companies are controlling important sectors of the economy. While African

²¹¹ Lusanda Raphulu, "Chinese Companies in South Africa." BOWMANS the Value of Knowing Wednesday, January 24, 2018, <https://www.bowmanslaw.com/insights/employment/chinese-companies-sa/>

²¹² Ibid

leaders are lured by the financial assistance they are getting, aids, luxurious presidential palaces in exchange for the control of their countries and resources. People of most African countries regardless of the countries availability of resources are forced to be employed with minimum labour in factories and MNCs. Furthermore, this and constant competition by the powers has made African people's lives very hard forcing them to migrate to other western countries searching for a better life. In the past, people were taken from their sheltered lives to be slaves contrary today as a result, of international interferes, exploitation and proxy wars African people are forced to leave their countries.

It is true, China unlike the west have been engaged in plenty of developmental activities of many African countries. Particularly, after the new millennium partnership not only African leaders but also African people placed a big expectation from Beijing and their companies. However, China's goal is no different from the former colonial powers. China is using Africa as a stepping-stone to achieve their goals of becoming an international power. To achieve that they need an international support with similar views and ideologies who can vote for them against the west. Moreover, they don't care what they have to do to attain their goals even supporting corrupted governments, violating regulations and people's lives.

For instance, after Pretoria joined the BRICS pushed by China. However, this agreement has given more right to Beijing to continue their exploitation as they are the economically strongest among the members. Moreover, this doesn't affect the economy of the country but also have social and political implication in the country. Particularly, in the labour market the more the countries uses imported industrial products from China and other members of the bloc the more workers are going to lose their jobs. This the main problem with in the members compared SA labour market, raw materials and electricity is more expensive that the other members which has created a problem to the investors of the country. As a result, especially Chinese investors to avoid a conflict with trade unions they are brining undocumented employees from their home countries.

CONCLUSION

Decades ago before the 19th century Europeans arrived to Africa driven with the need to acquire raw materials, market for the products of their growing industries and preaching Christianity to the uncivilized society of Africa. However, initially their activities were limited to the coastal areas of west and South Africa. That was because Vasco Da Gama accidentally discovered the Cape of Good Hopes while trying to find a direct and short way to Asia. As a result, the following years they just used those areas as a cross road to and from Asia and Europe while trading spice, cotton and other raw materials. However, years later with the arrival of more European merchants after they discovered, there was vast availability of gold, ivory and pepper in Africa they started trading with the locals using middle men. At the same time, they started slave trade from the costal of West Africa to Europe. In order, to cover the expenses of those discoveries Europeans started the transatlantic slave trade which became very profitable business of those times. Therefore, in short before the 19th century Europeans were more driven by social and economic need for raw materials and labour for their growing industries.

However, the more Europeans started arriving to Africa, competition among themselves increased replacing their initial goal of economic benefit to conquest of the entire continent. Particularly, after the abolishment of slave trade Europeans decided to bring their companies to the continent where they could find raw materials easily by cutting transportation cost and force the locals to work in their lands as cheap labour. At the same time, the competition among themselves to become a global power increased dramatically with the arrival of new powers such as Germany leading to a violent fights. However, in order to protect themselves from the probability of ruin that could occur as a result of war particularly after the religious wars they had experience previously Europeans decided to make a scramble out of Africa by dividing it among themselves. Although, years earlier they label the continent as the Darkest Continent it did not halt them from competing for what it has to offer which was economic, social and political benefit to those powers.

Therefore, from 1870-1900 Africa and its people experienced violence, economic, political and social pressure, and lastly colonization. Without respect for people and their culture Europeans divided the continent and used it throughout the 20th century. Dividing and ruling the continent became a cornerstone for post-colonization exploitation and proxy-wars in Africa which is going until present. During colonization Europeans didn't have any intention of industrialising the colonies and their people rather they created dependency on themselves for their manufacturing goods, technologies and know-hows. That's why, even after independence though they took everything important from those nations, non-whatsoever changed with in the western intention regarding exploitation and control of those decolonized nations.

Moreover, they designed a mechanism which could made those former colonies to be dependent on those traditional and new non-traditional powers. As a result, although independent from the colonisers attaining full sovereignty was a challenge for almost all African countries therefore, at the wake of their independence they remained interconnected with their colonial masters economically and politically. That was when the term neo-colonialism came to practise to refer to those post-colonial countries which were dependent on their former colonizers for economic, social and political guidance. Particularly, the term was used after the strategy used by the west to recolonize those developing under the financial institution of IMF and World Bank which were controlled by the western donors. For years after decolonization neoliberalism played a vital role in the developing countries by bringing them under the guidance of those western agencies and enforcing Washington consensus in exchange for financial aids and loans. Neoliberalism not only resulted in poverty, high unemployment rate and dependencies but also forced developing countries to liberalize their market and cut government protection from the domestic markets. By doing so they gave power to the MNCs and their home countries to control those countries economy.

As discussed, in the first chapter of the paper in detail there is no question regarding the intentions of EU-Africa and US-Africa relations as exploitation without regard to the people and countries. Decades ago until present there is not

much difference noticed in their approach they forced countries to accept their ideology or face consequence. The only difference was that there is no direct colonization of poor countries rather it was replaced by MNCs and their home countries controlling important factors of the economies. However, after their economy was controlled they pressure them to change their foreign policy, defence and political ideology. Although, African leaders and people are weary of this approach, they don't have much power to go against the powers. The divide and rule strategy has left its legacies on those countries as a result, it is hard for Africans to be in solidarity against the external powers.

That is why when China emerged as a new power challenging Washington and Moscow during the Cold War African leaders welcomed them with open arms. Although, China also approached developing nations out of their desire for diplomatic allies and energy security, still they didn't have any goal of colonizing any parts of Africa as they happily like to narrate. For this reason, initial Sino-Africa partnership was characterised as ideological and financial cooperation. Of course the initial Sino-Africa cooperation created a threat to the dominant powers of the Cold War however, it was the new Sino-Africa cooperation which has started after China's reformed to an open economy, which has drawn the attention of the global arena. At the end of the Cold War the neoliberalism which was enforced to the developing countries as a shock therapy coincided with China's economic reform of going out global. As a result, they used the opportunity to enter into the developing countries markets which was previously only used by the western. The policy not only opened doors for the traditional powers but also for non-traditional powers to control the economy of those nations.

Positioning, Africa at the top of priorities on their foreign policy agenda China strived very hard to achieve partnership agreements with African countries. During this period China was driven with the need to secure energy, other resources, market for their products, employment opportunities and areas for extremely growing population. The main reason for this was that while the population of Africa reached 1.2 billion, the population of China are 1.4 billion however, Africa occupied a geographical area which is bigger compared to China or India. As a result, Africa

with its bigger area, geopolitical importance and untapped resources provided an opportunity for what China was looking. Although, after the economic reform China managed to shift their poor population to a middle class successfully, and has showed a dramatic economic change by being self-sufficient, their need for energy and other resources for their day to day growing industries increased dramatically.

Particularly, after the 2006 Sino-African conference held in Beijing, China has kept their promise by supporting African countries in their national development activities which was the opposite to the western donors. That was China's main attraction to African countries in addition to their colonial past and their non-interference policy. It was as expressed by African leaders a Godly sent opportunity. China in Africa ends up in a development sectors which are in line with the countries developmental goals while western donation comes in exchange with their receipts and no care to what the people of Africa wants. Secondly, while China's projects end up in tangible results as seen in many African countries such as construction of roads, railways, mining companies, revived industries while west focuses on the soft issues such as MDGs education, health etc.

Over the past decades Sino-Africa relation has grown in alarming rate, although there are many criticisms saying China is making a new scramble for Africa, African leaders are lured by the non-interference policy and are pushing forward with the partnership agreement. However, this scenario has both positive and negative impacts towards the continent, particularly in the economic development of the nations. For a nation to be economically strong it has to have a strong political economy, which is free from any influence of other, however, in case of African nations it is the opposite because after the FTAs agreements signed with China. China and its MNCs started coming to Africa for instance, after 2006 more than 10,000 multinational companies started coming to the continent bringing many of their labourers. Of course, those companies created a job opportunity for African labour however, when compared to those locals which lost their jobs as a result of those companies heavy competition which has driven the local markets out of the market their negative impact was higher than what they offered. As a result, like the western MNCs Chinese companies also resulted in to high unemployment rate,

poverty, and dependency. Moreover, industrialization is the basis for an economic development and modernization of a nation, however, what western, China and other rising powers are doing to African nations are curtailing their development for their own interest.

China in South Africa for instance, although they don't have the same colonial past like the previous colonial masters, however, their impact on the economy of the country is another factor that needs consideration. Chinese exports to South Africa reached its pick at the end of 2010 replacing German and US.²¹³ Resulting in the declining of the manufacturing companies as a result of competition with Chinese low-cost products. Moreover, it has affected its international market on which they depend on which are the SSA countries. The South African economy as the largest in the continent not only depends on its domestic market but also it is highly dependent on its export to Sub-Saharan Africa however, the rise of China in the continent also clouds this market as well. As a result, South African local firms are driving out of the market due to high competition and Chinese are replacing the control of the markets previously owned by the western which again leads to dependencies. This is looking only in the case of RSA. As discussed in detail in the past chapters the recent west and China's activity is no different because their main goal is exploitation.

Another important factor which needs considering is that when China has more population than Africa why provide this much funds and aids. They could have used their finance for their own people rather than giving it to developing countries. However, for China being a global power is priority in order to achieve their goals they need resources, diplomatic allies which can vote for them and have availability of geographical areas. What continent than Africa which has helped for the previous rising powers.

Furthermore, although they are preaching a non-interference policy, in what way their condition for rejecting Taiwan's recognition as a state, using African votes in the UN and starting to building military bases in African countries can be

²¹³ "Chinese Competition and the restructuring of the South Africa manufacturing," Dev research briefing 4, Economic development –trade, University of East Anglia, 20122

addressed? For instance, the Congo Liberation Movement, that rebelled against the agreements its government was stipulating with Beijing just because of the dependence they were about to generate.²¹⁴ Moreover, years later presently China are shifting from their previous policy of non-interference in many African countries. Once they took a leverage by giving those loans and aids which they can't repay for years to come China are using the areas. Zambia is an example of those countries in which their copper field is taken for the coming 25 years while the people are suffering as forced labourers.

Based on the above arguments it can be easily assumed that the Chinese rise is similar in many aspects to western rise specifically during the neoliberalism era. Neoliberalism not only did open doors for western interference, but also for China as well. Both rise has their main interest, exploitation of African resources, market for their products and keeping balances against themselves without regard for African countries and their citizens. Furthermore, the poverty and unemployment experienced as a result of Neoliberalism, was also another factor which resulted to the reduction of purchasing power of the population and opened a way for Chinese to penetrate the market with their low-cost products by controlling the leaders and associating in a long-term relations in which the western market cannot satisfy. Both resulted in driving local industries from market, which leads to high unemployment rate, poverty, income inequality, discouraging of civil societies, human right issues, environmental problems, economic dependency and etc.

Therefore, for Africa in order to avoid economic enslavement, they have to come up with a mechanism which benefits their own self-interest while dealing with the powers. This can be achieved by either unification or trade partnership among themselves, the self-reliant economy in which they have to protect their own industries or playing against the powers. This is because economics and politics are directly proportional getting control of the one will lead to the control of the other. African leaders must be aware that aid is just like anti-pain medicine which works only for a while, rather than accepting aid they have to come up with a different mechanism to develop the continent.

²¹⁴ Ibid, Kossi Ayenagbo, p. 181

Finally, although the initial stage of neoliberalism promised economic development, market freedom, employment and self-determination to developing nations, but it has resulted in economic dependencies, high unemployment rate, income gaps and etc. Similarly the rise of China in Africa is resulting the same as Neoliberalism however, many scholars and political leaders are considering it as a Godly sent opportunity which comes without string attached in the investment. However, particularly African leaders should look back at history and should develop a mechanism which would help them in their relation with international powers without letting their country being exploited.





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