

## Chapter 10

# Geo-politics beyond Washington: Africa's alternative security and development partnerships

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With little fanfare, the US Government launched Africa Command (AFRICOM) on 1 October 2008. Ironically, this twenty-first century defence arrangement has been relegated to reside in Stuttgart, Germany, as there is little (with the exception of Liberia), if any, appetite in Africa for it to be relocated to the continent. How relevant is AFRICOM for Africans and Africa? To what extent is Africa's response to AFRICOM, and broader US strategic interests, influenced and challenged by Africa's alliances with new global centres of power beyond Washington who have competing motives and approaches to development and security? What are the implications of all this for US policymakers in a new administration?

This article explores the challenges associated with AFRICOM's predominant focus on the militarisation of African security, by surveying examples of African partnerships with non-OECD (Organisation for Economic Co-operation and Development) actors. In an emerging world order with a shifting global balance of power, the article provides an illustrative analysis of African attempts to identify and address their broader strategic security interests. It examines the geopolitical alliances that Africa has attracted in the areas of: aid, investment, trade as well as development cooperation and the opportunities and challenges this poses for US engagement across the continent. The first section explores Brazil-Africa collaboration in the sphere of social development. It demonstrates how Brazil has ostensibly been able to set aside its own short-term gains and national commercial interests to promote long-term sustainable development, by sharing and exchanging examples of its own development experience. This section also discusses what lessons this form of engagement provides which could be the basis for developing better US-Africa relations. The second section examines Africa's diplomacy and power partnerships with India, which have helped to secure greater self-determination and underpin Africa's (and India's) senses of sovereignty, improve integration and cooperation, both amongst African states and throughout the developing world, as well as advance efforts to make global governance institutions more representative. This section identifies that this political assertiveness does not always produce a convergence of

interests between Africa and India and discusses the implications that this dynamic might bring to bear on US-Africa relations. The third section explores the continent's expanding relations with the People's Republic of China (PRC) and the impacts this has had on Africa's own economic growth agenda, particularly in the areas of commodities and infrastructural development. It demonstrates that China's significant presence in Africa represents a sizable challenge for both American and African strategic interests, and unless the US is able to provide a coherent and informed response to this challenge, there is a risk that US interests may become increasingly marginalised in Africa. The final section examines the emerging role that Africa has begun to play regarding food security in the Middle East. It examines how Africa can exploit its comparative advantage in abundant arable land and surplus labour to ensure its own food security and agricultural development needs are met, as well as meeting regional and global demand. The section also discusses the challenges Africa faces in employing agriculture as a platform for industrialisation and the implications of this for US-Africa engagement. In closing, the article raises a number of questions for US policymakers to consider: how, in a changing world with the rise of new centres of power, might US-Africa policy better connect with African people and African governments? How might a more informed and coherent US approach better serve Africa's own development and security agendas, as well as secure strategic US interests on the continent? Indeed, it asks if this is even possible.

## **AFRICOM**

AFRICOM now coordinates US peacekeeping activities, humanitarian aid missions and military partnership operations with African countries, as well as offering defence support in non-military operations such as the Millennium Challenge Account (which awards grants to countries who meet good governance criteria), the President's Emergency Plan for AIDS Relief (PEPFAR – an initiative to combat global HIV&AIDS), the Africa Education Initiative (expanding education to the world's poorest children), the Water for the Poor Act (a strategy to provide affordable and reliable access to safe water and sanitation) and the African Growth and Opportunity Act (AGOA – an initiative which allows nearly 40 economies in sub-Saharan Africa – SSA to export specific goods duty- and quota-free into US markets) (US Africa Command, 2008a). AFRICOM thus coordinates US military support by bringing the humanitarian work of the State Department, the US Agency for International Development (USAID), and other US government agencies engaged with Africa, under the direction of the US Department of Defense (Volman, 2008).

The creation of this new US hybrid civil-military headquarters devoted to Africa (Volman, 2008) was ostensibly designed to support Africans in building greater capacity to deliver their own security (US Africa Command, 2008b). Yet many argue that this military-centred strategy only very narrowly filters the realities of security challenges across the continent, through a military prism. As such, the initiative assumes that counter-terrorism (Tuckey, 2008) and safeguarding US supplies of fossil fuels, minerals and other natural resources (particularly in the context of China's growing presence in Africa) are among the main priorities and challenges confronting Africa (Kidane, 2008). This is perhaps illustrated by the level of US military sales, financing and training expenditure devoted to just eight African countries, which are

regarded as particularly strategic for what was once described (under the George Bush II administration) as the 'war on terror.' In fact, expenditure has increased from approximately US\$40 million between 1997 to 2001, to over US\$130 million between 2002 and 2006 (LeMalle, 2008).

## **Africa defining its own security interests**

The military thrust of AFRICOM too narrowly defines the security interests of Africans and Africa. In 2001, the African Union established the New Partnership for African Development (NEPAD). NEPAD represents a vision and a strategic framework for Africa's renewal. The framework produced an action plan which identifies four broad African priorities: peace and security, democracy and governance, regional co-operation and integration, and capacity building. In addition, the framework highlights eight sectoral priorities, including: agriculture, human development, infrastructure, intra-African trade market access and the environment (NEPAD, 2001). Thus, economic and political development and cooperation are regarded as important tools for the continent's transformation. Yet, how can US-Africa policy in general and AFRICOM in particular adequately recognise the importance of the priorities and challenges identified by Africa, when the US initiative's emphasis is focused on: *'conducting security engagement through military-to-military programmes, military-sponsored activities, and other military operations in support of U.S. foreign policy'* (US Africa Command, 2008c)?

## **A rapidly changing world**

AFRICOM's ongoing development needs to be situated against the backdrop of a dynamic and emerging new world order which is shaping Africa's future and US influence across the continent. There are the cyclical contexts of a global economy in the throws of an unprecedented global financial crisis, deep economic recession coupled with the fact that Africa is by no means the principal priority preoccupying the new US administration. Developing a more effective strategy in Afghanistan, potential engagement with Iran, preparation for a withdrawal in Iraq and stabilising Pakistan, as well as a long awaited workable peace process for the State of Israel and the Palestinian Authority all appear to be much higher political priorities.

More significantly however, as the global balance of power shifts from a unipolar to an increasingly multipolar system, new global powers are competing for influence and resources. Thus the US is becoming less dominant, with limited strength and leverage (US National Intelligence Council, 2008).

The rise of China, India and other emerging economies exemplifies this transition. Notwithstanding this however, the changes in today's international distribution of power have yet to take real shape and continue to undergo a process of evolution that has so far been neither accurately defined nor confidently articulated. For example, in 1973 China, India, Brazil and South Africa's collective share of world income was just over 10 percent, but by 2001 this had risen to 21 percent. Furthermore, in 2000, their combined GDP was less than 15 percent of the total GDP of the US, Japan, Germany, the UK, France and Italy (G-6). By 2050 however, it is predicted that only

the US and Japan will remain amongst the six largest global economies (Nayyer, 2008). Ironically however, recent data compiled by the UN Food and Agricultural Organisation (FAO) on the state of global food insecurity, estimates that of the 907 million undernourished people living in the world today (2008), 65 percent live in only seven developing countries. China, India and Indonesia represent three of these seven (FAO, 2008). In spite of the economic ascent of many of these emerging economies and the impact this presents for the global economic landscape, these countries continue to confront severe developmental challenges. Therefore, what role does and can Africa play in this rapidly changing world, and what implications does this transition have for US influence across the continent?

Today, Africa has once again become a strategic priority for sovereign states and regional entities outside the continent. A simple illustration of this is the plethora of new summits and fora which the African Union has established with regions such as the EU, South America and with countries such as China, India, Japan and Turkey. Why is Africa being courted by these new centres of power and what impact might this have for US-Africa relations?

For the most part, the partnerships established by African states with non-OECD<sup>1</sup> (OECD, 2008) partners (both governments and non-state actors, such as private companies) in Asia, the Middle East and Latin America are far from new, but the level of engagement with respect to scale and scope is unprecedented. This is particularly pertinent as notions of security have undergone a process of transformation. It is important therefore to view Africa's non-OECD partnerships beyond merely trade, investment flows and instruments of development cooperation. In fact, this age of greater engagement is part of a wider package of economic and political strategic cooperation which affects African nations, regions and social groups in diverse ways. More importantly for the US however, this transformation will greatly influence and ultimately shape US strategic interests across the continent and in turn, the future of AFRICOM itself.

## **Brazil's Africa policy: a platform for social development?**

At first sight, the scale of Brazil's engagement with the African continent does not appear to challenge US strategic interests, or indeed the future of AFRICOM. For example, between 1998 and 2004, Brazilian government data suggests that US\$15 million was made available in development aid. In 2003, Lusophone Africa received 34 percent of Brazil's ODA (overseas development aid), the majority of which went to Angola and Sao Tome and Principe. This compares to mammoth levels of US development programme funding in Africa. In 2007, US\$575 million was provided to Africa in trade-related assistance, an increase of 66% compared to 2005 and since 2003, a staggering US\$18.8 billion has been committed to fighting HIV&AIDS worldwide with a particular focus on 12 African countries (US Africa Command, 2008a).

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<sup>1</sup> Those countries not members of the group of 30 member states committed to democratic government and the market economy. The OECD provides a forum where governments can compare and exchange policy experiences, identify good practices and promote decisions and recommendations. *OECD Annual Report 2008* <http://www.oecd.org/dataoecd/39/19/40556222.pdf>

Therefore, while the quantity and scope of Brazilian cooperation across Africa is modest compared with other partners on the continent, Brazil's history and development experience suggest that its influence across Africa should by no means be underestimated and might be used to inform future US engagement across Africa (Schläger, 2007).

Between 2002 and 2006, Brazilian trade with African economies tripled to approximately US\$13 billion. Behind China and Kuwait, Brazil is the third largest emerging market creditor to Least Developed Countries (LDCs). During his two terms in office, President Luiz Inácio Lula da Silva has made several official visits to Africa, visiting over 17 countries and since 2003, more than 10 Brazilian embassies have opened or been re-established across the continent (Schläger, 2007).

In 2006, on the initiative of the Brazilian President, the first Africa-South America Summit (ASA) was convened in Nigeria with the aim of developing greater South-South cooperation between the two continents. The terms and principles of the partnership agreed at the Abuja Summit included commitments to exchange information on successful experiences for combating hunger and poverty. On health, the two sides agreed to facilitate greater accessibility to anti-retroviral drugs, as well as preventive and curative drugs for communicable diseases such as tuberculosis. Furthermore, the two sides agreed to cooperate on joint research on vaccines, care and treatment of cross-border and neglected diseases. On education, there was an agreement to develop cooperation across all levels of schooling and the exchange of best practice strategies for combating illiteracy. The summit also created the Africa-South America Cooperative Forum (ASACOF). Coordinated jointly by Brazil and Nigeria, forum activities are focused on agriculture, trade, investment, energy, technologies, water resource management and tourism, many of which represent the NEPAD sectoral priorities for Africa previously highlighted.

## **Partnerships free from commercial interests and short-term economic or political gains?**

Brazil does not share the global economic dominance that other emerging markets can boast, yet it has made good progress in economic and social development. It is ranked significantly higher than India and China in the UN Human Development Index (HDI)<sup>2</sup> and receives much less aid from the international donor community; 0.023 percent of its GDP compared to 0.075 percent for China and 0.109 percent for India (Schläger, 2007). For example, in the case of China, almost 20 percent of the world's poor live in this rapidly growing economy (The World Bank, 2007) and income inequality, the relative income distribution gap between the rich and the poor has risen from 28 percent in 1981 to its current level of 41 percent, representing the largest income inequality gap in Asia (Richard McGregor, 2007).

Globally, Brazil is juxtaposed between the industrialised world and the developing world. On the one hand, it is the world's second largest food exporter and Companhia

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<sup>2</sup> HDI measuring development by combining indicators of life expectancy, educational attainment and income into a composite human development index, United Nations Development Programme (UNDP), <http://hdr.undp.org/en/statistics/indices/hdi/>

Vale doRio Doce (CVRD - formerly a state-owned enterprise) is the world's second largest mining multinational (CVRD invested US\$2 billion in the construction of a coal mine in Mozambique in 2006). On the other hand, however, Brazil continues to confront a number of significant development challenges. For example, in 2006, the UNDP estimated that 45 percent of the country's wealth is controlled by 10 percent of the population and over 20 percent of Brazilians live on less than US\$2 a day.

In spite of this, Brazil has built substantial expertise of its own, both in terms of improving living standards and livelihoods by reducing poverty, and fostering more inclusive economic growth to promote social development (Schläger, 2007). Brazil's expertise thus provides a good base from which to help Africa meet its own social development challenges.

The Brazilian government regards its development policy in Africa as a critical part of its foreign policy outreach. In fact, the Brazilian Agency for Development Cooperation (Agencia Brasileira de Cooperação, ABC), originally established in 1987 to coordinate development assistance from international donors into Brazil, has transformed itself into an international donor agency. In stark contrast to the OECD and other emerging market donors, Brazil's assistance to Africa appears to be free from national commercial interests and conditionalities. This places little, if any, priority on short-term economic or political gain. It promotes partnerships where economic and social development play an integral role in building international security and peace, as well as co-operation and collaboration between developing countries to exchange know-how, technical expertise and build capacity through strengthening institutions (John de Sousa, 2007). How might Brazil's approach to its Africa policy influence US interests in Africa and AFRICOM?

Brazil's development cooperation is focused on the long term development of human capital across the continent. In 2005, of the 54 bilateral technical cooperation projects undertaken by ABC, 35 were across the Portuguese-speaking countries of Africa. In Angola, Guinea-Bissau and Mozambique, vocational training programmes focused on peace-building were provided to reintegrate former combatants into their local communities and wider society. Brazil is also supporting efforts in Mozambique, Sao Tome and Principe and Angola to develop local agricultural research capacity. Sao Tome and Principe, Namibia and Guinea-Bissau have partnered with Brazil to develop plant cultivation technology. In addition, across lusophone Africa, as well as Botswana, Burundi and Burkina Faso, HIV&AIDS programmes to improve universal access to treatment, support and care are being replicated following their success in Brazil. In 2010, Brazil is set to launch an antiretroviral manufacturing plant in Mozambique. Furthermore, there are education and literacy, as well as renewable energy and environment programmes (with Brazil having pioneered ethanol production), all of which enjoy an enviable international reputation.

In the area of social protection, Brazil has worked with OECD donors to advance welfare programmes in Africa. For example, supported by the UK's Department for International Development and the Inter-American Development Bank (IADB), the 'Livelihood Empowerment against Poverty (*LEAP*)' (International Poverty Centre, 2008) programme in Ghana, replicates the Brazilian Government's *Bolsa Familia* programme, providing conditional cash transfers to poor families. This provides a direct incentive for poor parents to invest in their children's education and health, as

cash transfers are only received if parents meet criteria related to enrolling children at primary school, ensuring they receive regular vaccinations and encouraging expectant mothers to avail themselves of full pre-natal care. Other African nations have expressed interest in the scheme, including Zambia, South Africa, Nigeria, Mozambique and Guinea-Bissau. This is particularly relevant as the global economic downturn threatens to reverse much of the recent progress achieved in reducing poverty across Africa.

While, Brazilian development cooperation could be criticised for its strong focus on the lusophone countries and a lack of public information regarding technical assistance, funding volumes and assistance-awarding criteria, the nature of partnerships with Brazil appear appealing to African states because of the long-term collaborative nature and lack of conditionality involved. So, while Brazil's approach is by no means in direct competition with US programmes in terms of scale and scope, the popular nature of the partnerships offered implies that US policymakers might be wise to consider how best to balance short-term self-interest with more long-term strategic priorities in order to improve engagement across the continent.

## **Power and diplomacy: Indo-Africa relations**

What impact might India's growing political importance on the world stage, as well as her expanding engagement across Africa have for the future of AFRICOM? An important part of the answer to this question lies in the declaration and framework for cooperation established at the inaugural Africa-India New Delhi Summit that took place in April 2008. In the area of political cooperation, the framework agreed to develop a joint platform for the discussion of global political and economic issues in order to enable greater leverage on the global stage for both Africa and India (African Union, 2008a). In addition, the Delhi Declaration recognised that Africa-India partnerships would be based on a number of fundamental principles including the right to self-determination and sovereignty (AU, 2008b). Thus, in 2006/07, India pledged US\$200 million to support the NEPAD process in Africa (Schläger, 2007).

Since Indian independence was declared in 1947 and in the wake of her unwavering support for the nationalist independence struggles across Africa (in the aftermath of the Second World War) India has sought to position herself as a global political driver on the international stage. India not only regards herself as a voice for the developing world in global fora and a facilitator for greater South-South solidarity and self-determination, but, more importantly, India is keen to advance her own global political ambitions (Mawdsley, 2007). Thus, during Cold War hostilities, India played a pivotal role in the Non-Aligned Movement (BBC)<sup>3</sup> and the G77<sup>4</sup>. In 1998, India undertook her first nuclear weapons test, and according to the industrialised economies of the G7, has demonstrated her responsibility as a nuclear power by not promoting

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<sup>3</sup>The Non-Aligned Movement (NAM) is made up of 118 developing countries and aims to represent the political, economic and cultural interests of the developing world, BBC News 'Profile: Non-Aligned Movement' <http://news.bbc.co.uk/1/hi/2798187.stm>

<sup>4</sup> G77, the G77 is the largest intergovernmental organisation of developing states in the UN. It provides a platform for the countries of the South to articulate and promote their collective economic interests and enhance their joint negotiating capacity on all major international economic issues within the United Nations system and promote South-South cooperation for development. <http://www.g77.org/doc/>

nuclear proliferation (Bava, 2007). India, along with the other members of the Group of Four (G4 – Germany, Japan and Brazil), continues to campaign tirelessly for reform of the UN Security Council (UNSC) and for the establishment of additional permanent seats, and she has successfully secured support from African countries in her own UNSC ambitions. India's political significance is further demonstrated by her participation as a member of the 'outreach group' at G8 summits and Ministerials. Furthermore, in 2003 India, together with Brazil and South Africa (collectively known as IBSA), established the IBSA Dialogue Forum, an initiative committed to poverty reduction, democratic values and greater multilateralism in global governance institutions (Schläger, 2007). India is a principal stakeholder in the Bretton Woods Institutions (along with Brazil, China and South Africa), and assumes a seat as a permanent executive board member. In addition, India (along with Brazil) has also long been a vocal advocate for the developing world in the World Trade Organisation (WTO). She is also a member of the principle WTO institutional mechanism for resolving disputes; the Quad, alongside Brazil, the US and the EU.

For Africa, India's growing geo-political influence has the potential to develop a greater voice for multilateralism which promotes the coordination and cooperation essential for latecomers to develop. On one hand, this has the potential to provide the opportunities needed to reshape the current global, rules-based order and create policy space for African countries to define and prioritise their own development trajectories (Nayyer, 2008). Nonetheless, India's foreign policy stance and the partnerships she seeks in African contexts are, by her own admission, regarded as instruments to advance her own national political and economic interests (Bava, 2007). Therefore, to a large extent, India's agenda can often compete directly with Africa's interests. For example, freer trade between the EU and the US has favoured India at the expense of preferences once enjoyed by African agriculturalists and manufacturers (Mawdsley, 2007). And as it stands, India could be one of the biggest beneficiaries of an ambitious settlement of the Doha multilateral trade round.

With respect to self-determination, in 2003, India further underlined her keenness to independently pursue her own national interests by suspending bilateral development programmes with 22 donors (excluding the US, UK, Japan, Germany and the EU). As such, where possible, India accesses multilateral aid to minimise administration and transaction costs. For example, until very recently India remained the World Bank's largest single borrower. In 2006, she received loans totalling US\$2.9 billion, more than double the amount lent in 2004 (World Bank, 2008). Yet, almost in contradiction to the principle of recipient country autonomy, India ties the distribution of its overseas development assistance (ODA) to the consumption of Indian goods and services, (Jobelius, 2007). In addition, India never acts solely as a donor in a partner country. Indian aid must be accompanied by investment, trade, political alliances or a combination of these elements. For example, with respect to financial aid in 2006/07, a credit line of US\$500 million was made available to develop India's relations with resource-rich West African countries. Sudan receives one of the largest volumes of Indian aid outside South Asia and also receives significant amounts of Indian foreign direct investment (FDI). In 2003, the Indian state-owned oil company ONGC Videsh invested US\$1 billion in the Sudanese oil sector (Embassy of India, Khartoum, 2003). In Senegal, the Indian car manufacturer Tata benefited from internal reform which restructured the national public transport system. India has become one of the top

destinations for Senegalese exports, as well as one of the country's largest donors (Jobelius, 2007).

While India is more overt about the geopolitical agenda it pursues through development assistance, this presents challenges as well as opportunities for Africa. So what does all this mean for AFRICOM? US policymakers might consider giving greater priority to Africa's desire to exercise greater self-determination and autonomy but how can AFRICOM help to achieve this (Kidane, 2008)? Moreover, while India enjoys growing international influence and an ability to galvanise those in the developing world (particularly in Africa) around the principles of solidarity and common interest, its own national strategic interests always take priority. This often conflicts with the international image India attempts to project and can be to the detriment of partnerships with African states. The way in which the US chooses to respond to this shortcoming may prove an effective entry point for more meaningful and relevant engagement in Africa, with Africans, that also helps to highlight some of the limitations of AFRICOM as it stands today.

## **Riding the dragon: China and growth in Africa? <sup>5</sup>**

Can economic expansion in China provide a new catalyst for growth in Africa and what significance will this have for US-Africa relations and AFRICOM?

In November 2006, Beijing hosted the third Forum on China-Africa Cooperation (FOCAC). The Beijing Action Plan it produced outlined a number of important areas of partnership. In the area of economic cooperation there was an agreement to retain infrastructure development as a key area of cooperation. The Chinese Government also committed to continue to encourage its private sector to participate in Africa's infrastructure development. African leaders pledged to support and facilitate such investment through reform programmes which would liberalise relevant sectors. In addition, Beijing would promote investment expansion in Africa by supporting Chinese banks through the establishment of a China-Africa Development Fund whose total resources would gradually reach US\$5 billion and which would contribute to the development of local technology and employment opportunities. Furthermore, both sides would continue to work to create favourable conditions for more equitable growth in China-Africa trade. To support this, China pledged to further open up its markets to African LDCs, those with which it already enjoys good diplomatic relations, thus increasing the number of export items which qualify for zero-tariff treatment from 190 to over 440. In the areas of energy and resource cooperation, China and Africa agreed to continue to exploit their energy and resource complementarities for mutual benefit and common development. China also agreed to help Africa to convert its rich endowment in energy and mineral resources into a catalyst for greater sustainable economic development, while promoting environmental sustainability.

Until 1993, China's oil and abundant coal reserves meant that it could self-supply a significant proportion of its energy needs, but by 2003, China became the second largest global consumer of oil, and by 2004, the third largest importer of oil. While oil

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<sup>5</sup> Wambu, Onyeckachi, (2007), 'Riding the Dragon: African Leadership and China's Rise' *Under the Tree of Talking: Leadership for Change in Africa*, London, Counterpoint

imports currently meet approximately 50 percent of its demands, imports are predicted to meet a staggering 80 percent of China's oil needs by 2020 (Downs, 2006). What is significant about these figures is the extent to which the security of energy supplies is driving China's foreign policy across Africa and how this interplays with US dependency on fossil fuels.

Apart from oil, China is also the world's leading importer of plastic materials, metal ores, oil seeds, textile fibres, pulp and paper. For Africa, the major non-energy commodities are metal ores. China is the number one importer of iron ore, manganese, lead, and chromium, with shares of world imports ranging from 32 percent to 54 percent. In addition, China accounts for 19 percent of world copper ore imports, coming second only to Japan (Trinh, 2006).

A significant share of China's manganese imports come from Africa where Gabon, South Africa, and Ghana are among China's top five manganese suppliers, together accounting for 37 percent of China's total manganese imports. Several African countries possess large reserves of cobalt and the continent is China's main supplier, with 85 percent of imports coming from only three countries: the Republic of Congo, the Democratic Republic of Congo (DRC) and South Africa (Foreign Policy Centre et al., 2008).

China boosts demand for Africa's primary commodities because of its significant population despite the fact that its levels of per capita consumption of primary commodities are still relatively low. Increased demand raises commodity prices and improves terms of trade for primary commodity exporters in Africa. Moreover, China has become the workshop of the world, being the world's primary exporter of manufactured goods (Nayyer, 2008). That China and Africa's trade in commodities has increased is beyond doubt. Bilateral trade exploded from US\$2 billion in 1999 to US\$39.7 billion by 2005 (Hofmann, 2006) and by 2006, trade volumes exceeded US\$55 billion - a 40 percent increase compared to the previous year (People's Daily, 2007).

China has emerged as Africa's largest trading partner after the US. The state-run China National Offshore Oil Corporation (CNOOC) is the biggest foreign investor in Sudan. It claimed to have provided 4,000 local jobs and built hospitals and schools (Sheridan, 2007).

Nevertheless, Chinese engagement in Africa continues to draw bitter criticism. It is perceived as consistently using its diplomatic influence at the United Nations Security Council (UNSC) to protect the Sudanese regime which, some would argue, helps to perpetuate the crisis in Darfur. In the oil producing region of the Upper Nile area of Sudan, Chinese investment stands accused of displacing Dinka and Nuer villages and destroying their communities (Askouri, 2007). In the Zambezia province of Mozambique, Chinese timber merchants in partnership with local business and the national government's forest services are blamed for overexploiting precious slow-growing tropical hardwoods whose trade could see this resource depleted over the next 5-10 years (Lemos and Ribeiro 2007). The proposed US\$2.3 billion Mpanda Nkuwa dam in the Zambezi backed by China's overseas lending arm Ex-Im Bank is another often cited example of Chinese investment overlooking human rights and

social issues as well as environmental concerns raised by local and international civil society groups.

The growth of Sino-African trade has risen even more rapidly than Chinese trade with the rest of the world. In 2006, China's exports to Africa were worth US\$26.7 billion, an increase of 43 percent from the previous year, and African imports to China were worth US\$28.8 billion, an increase of 37 percent. Over the 10 year period leading up to 2004, China provided over US\$5 billion in loans to Africa. From 2006, China pledged to double Africa's development aid in loans and investment credits to US\$5 billion (Hofmann, 2006). Currently China is one of the continent's main lenders rivalling the World Bank (Third World Network – TWN, 2006). The lion's share of this is dedicated to aid programmes for infrastructure, a NEPAD priority sector which OECD donors, including the US, for a long time showed very little interest in supporting.

To assume that China's investment is directed solely toward the extractive industries such as oil and mining would be incorrect. Investments have also extended to apparel, food processing, retail ventures, fisheries, seafood farming, commercial real estate, transport, construction, tourism, power plants, banking (and financial services) and telecommunications, amongst other sectors (Hofmann, 2008). The telecommunications company Zhongxing Communications, which began investing in Africa in 1995, has ploughed in more than GBP£3 billion and in 2008 employed 1,100 people across the continent. In agriculture, the Chinese have secured deals from Zimbabwe to Zambia and Kenya. The China Agricultural Cultivation Group claims to have transformed grain production in Zambia and saved the country a fortune in transport costs by reducing the need to import grain from South Africa. In 2007, the Industrial and Commercial Bank of China (ICBC) agreed to pay GBP £2.7 billion for a 20 percent stake in Africa's largest bank, Standard Bank, based in Johannesburg. This provides ICBC with an interest in a continent-wide banking network with more than 200 branches in 18 African states (Sheridan, 2007). In addition, the China Development Bank entered a partnership with United Bank for Africa (UBA), one of Nigeria's biggest banks (Anderlini and Green, 2007). The deal is expected to expand the Chinese bank's ability to finance infrastructural projects in Africa. Moreover, Chinese levels of investment in these areas have been far from insignificant. In 2007, China struck a US\$5 billion deal with the DRC government to acquire mineral resources in exchange for infrastructure finance for development. This is currently either non-existent or in a state of severe disrepair (Wallis, 2007).

## **China: threat or opportunity?**

An overview of China's links with sub-Saharan Africa (SSA) distinguishes different channels of impact transmission. As this discussion has already explored, there are a number of prominent channels including: trade, investment flows (FDI and portfolio investments) and aid. Within each of these channels is a combination of both complementary and competitive impacts. For example, with regard to trade, China may provide both cheap inputs and consumer goods, and act as a market for SSA exports. On the other hand, imports from China can readily displace local African producers. The key element demonstrated by these interactions is that impacts both

within countries (between social groups and regions) and between countries vary (Kaplinsky, 2008).

The complementary-competitive dynamic of China's impact on Africa is readily understood and widely recognised. Less well explored however, is the distinction between direct and indirect impacts. This is in part because indirect impacts are difficult to measure. Indirect impacts occur in third country markets and institutions. For example, China's trade with the US may open up or crowd out opportunities for SSA economies to export into that market. Again, the effects of these impacts vary (Kaplinsky, 2008).

To what extent is China's bilateral engagement with economies in Africa inducing growth through structural transformation and does this present risks or opportunities for US strategic interests? China is a huge source of labour-intensive manufactured goods, while other emerging markets such as Brazil are more important sources of manufactured goods made from natural resources. China has a significant pool of surplus low-wage rural and urban labour. Therefore, it is reasonable to assume that China competes with African economies for export opportunities to the industrialised world, as well as the developing world. This could reinforce the dependence of African countries on exports of primary commodities and severely limit opportunities to develop manufacturing industries (through adding value to exports). In short, African economies need to move from a complementary to a more competitive pattern of trade with China in order to generate trade specialisations between their economic sectors and industries (Kaplinsky, 2008). How US policymakers are able to work with African governments and Africans across the continent to respond to the challenge might provide some clues as to how the US government might engage with Africa to meet its own strategic interests more successfully.

A second concern regarding Africa's complementary trading pattern with China is that, arguably, China could displace and redirect foreign direct investment opportunities. From 2001 to 2005, China, India, Brazil and South Africa absorbed 37 percent of inward FDI to the developing world (11 percent of global FDI inward flows). In 2005, China accounted for 50 percent of inward investment stock (but only 27 percent of outward investment stocks). While investment stocks and flows in and out of China are modest relative to the wider trend globally, China is more of a competitor for investment flows into Africa than an investment source for Africa (Nayyer, 2008). Again, US policymakers might explore ways they could work with Africa to overcome this challenge effectively, helping to reinforce US leverage and interests across the continent.

This analysis demonstrates the significance of Sino-African engagement for US-Africa policy and suggests that, despite the potential risks associated with Chinese partnerships, economic development is a huge priority for Africa and the sacrifices the continent is willing to make to secure this are evident. In addition, it demonstrates that US Africa policy needs to broaden its understanding of security in the African context and engage with the issues that matter to Africa and Africans. For example, China's focus on the infrastructure deficit has resonance across the continent. Finally,

the scale and scope of China's engagement across Africa suggests that US strategic interests may be best served by complementing China's interests rather than competing with her. There are a number of unmet African development challenges, such as environmental sustainability and civil society participation which China as yet appears unable to adequately respond to. Therefore, US strategic interest may be best served by focusing on some of these deficits as entry points to address their own security and strategic demands.

## **The global food crisis: Africa – The breadbasket for Gulf States?**

The NEPAD Action Plan prioritises agriculture-led development as an engine for economic growth. The plan identifies a number of targets which include increasing food supplies and reducing poverty by contracting the level of food imports through accelerated domestic production, increased rural agricultural productivity and sustainability through increased spending on agricultural research and extension services across Africa over a 10 year period (2001/02 – 2011/12) (NEPAD, 2001). Yet, the reality of the current state of African agriculture could not be further from NEPAD's aspirations.

In many African economies, agriculture constitutes a significant share of GDP. Between 2003 and 2005, agriculture represented a sizable percentage of GDP in Niger (39.9 percent), Rwanda (41.6 percent), Sierra Leone (46.2 percent), Sudan (36.1 percent) and Tanzania (45.8 percent). Almost 80 percent of Africans reside in rural areas and 60 percent of the rural working population are smallholder farmers. These producers depend on food production (through farming or the rearing of livestock) to sustain their lives and livelihoods (Le Roux, 2007). Ironically, despite the fact that agriculture is the mainstay of many African economies, food insecurity on the continent is commonplace. In 2007, 236 million people, or one in three Africans, were chronically hungry. Those living in the Democratic Republic of Congo (DRC) were the most undernourished as the widespread and intractable conflict there caused the number of hungry people to rise from 11 million to 43 million between 2003 and 2005. The proportion of undernourished people rose from 29 percent to 76.5 percent of the total population in the same period. Overall however, sub-Saharan Africa (particularly Congo, Nigeria, Mozambique and Malawi) has made some progress in reducing levels of chronic hunger; falling from 34 percent between 1995 and 1997 to 30 percent between 2003 and 2005 (FAO, 2008). Yet the current global economic crisis is set to threaten this progress.

The continent's food security and vulnerability is further demonstrated by the fact that many countries import a significant amount of staple foods such as rice. The rate of demand for rice is currently double that of the growth of the African population itself, and it has outstripped the growth in consumption of all other major staple foods. The surge in demand for rice has been accompanied by stagnating levels of production. The self-sufficiency ratio (rice production relative to consumption) fell from 112 percent in 1961 to 61 percent in 2006 (Africa Rice Centre, 2007).

In early 2007, the World Food Programme (WFP) appealed to the international donor community to help plug an emergency funding shortfall in its budget created by what

at the time had been escalating food and fuel prices. US\$960 million was pledged by 32 countries, of which over 50 percent (US\$ 500 million) came from Saudi Arabia (Sands, 2008). This represented a staggering climb for Saudi Arabia from number 27 in the league of donor contributions in 2007 (providing just over US\$6.5 million), to the second largest contributor in 2008 (behind the US which until 2008 contributed just under US\$617 million) (WFP, 2008). On the one hand, as the world's largest oil producer, Saudi Arabia had been blamed for providing an inadequate response to oil supply constraints which had led to rising fuel costs which only served to increase agricultural input prices and when compounded by disappointing harvests in some areas, worsened the food crisis by squeezing food stocks. Even with the recent fall in commodity prices, for many countries in Africa, the relative costs of fuel and food remain high due to weak local currencies relative to the US dollar. On the other hand, and more strategically many Gulf States (including Saudi Arabia) are heavily dependent on food imports. Seeking advice from the World Bank (Andrew England and Javier Blas, 2008), Saudi Arabia and other Middle Eastern governments and their private sector companies are looking to Africa to provide a solution to their food security challenges. For example, Qatar is keen to lease farmland in Kenya, and Saudi Arabia is keen to secure farmland in Ethiopia, Sudan and Senegal. In 2008, Abu Dhabi – the largest of the seven emirate states of the United Arab Emirates (UAE) – was preparing to launch a large-scale agricultural project in northern Sudan to develop more than 70,000 acres of land as part of its efforts to secure food supplies. The project is being led by the Abu Dhabi Fund for Development. Sudan is keen to attract both funding and technology for its agriculture sector, and as such is willing to provide land free of charge to investors for such projects.

## **African agricultural growth and job creation**

Growing concerns regarding the weak state of many African agricultural sectors led African leaders to call for foreign investment in African agriculture to replace food aid during the 2008 UN General Assembly annual summit (UN News Centre, 2008). What impact might agricultural partnerships between African countries and economies in the Middle East have for the future of AFRICOM and broader US strategic interests across the continent? The potential prospect of Obama's Add Value to Agriculture Initiative (AVTA) – a presidential campaign pledge to facilitate research and innovation to promote an agricultural revolution in Africa (Obama/Biden 2008 Presidential Campaign) - would seem to be mere rhetoric, if the US Farm Bill continues to allow US taxpayer' money to heavily subsidise US farmers at the expense of African smallholders farmers. Agricultural growth in Africa has the potential to generate employment in local industry and services in rural areas, working to significantly reduce poverty levels.

The International Labour Organisation (ILO) suggests that Africa needs 15 million jobs a year to absorb the growth in its labour force (Africa Commission, 2008). Joblessness poses one of the greatest security risks on the continent today due to the dangerously high and rising levels of unemployment and underemployment particularly amongst young people of working age. Unlocking African agricultural development capacity has the potential to absorb Africa's excess, low-skilled labour. In addition, agricultural growth though technological advancement induced by increased investment, as well as a reduction in agricultural input costs, could help to

raise domestic savings and increases in household incomes. The latter could also translate into demand for non-farm and non-tradable goods which stimulates job creation. If African governments are supported to put the right policies in place, this could help to stimulate the development of local manufacturing industries and local services (as infrastructural investment in roads, transportation and logistics, as well as irrigation and grain storage facilities are developed) and help to work towards achieving broad-based inclusive economic growth. Empirical research has shown that in low-income economies, every US\$1 of agricultural spending generates US\$2.75 demand for non-agricultural inputs and services. In the case of Burkina Faso, additional income was US\$1.88, in Zambia it was US\$1.48 and in Niger it was US\$0.96 (UNCTAD, 2007).

The benefits which stem from agricultural growth can in turn be magnified by integration with global markets through export opportunities. If Africa plays the role of breadbasket to economies in the Middle East and beyond, there is the potential to achieve this kind of growth, but such steps do not come without risks.

## **The risks of foreign direct investment in African agriculture**

The Director-General of the FAO, Jacques Diouf, is cautious about the Gulf States' farmland investment in Africa. He has described the relationship as perpetuating dependency and reintroducing neo-colonialist relationships with Africa. Early Gulf State projects in Sudan demonstrated only limited benefits to local populations as projects extracted the benefits from arable land and water supplies and failed to source specialist labour and farming inputs locally, as well as providing very few opportunities for smallholder farmers to access capital, agricultural know-how or improve their market access. Yet, agricultural development across Africa could provide a lifeline to improve food self-sufficiency, create employment and provide a launch pad for industrial development. Is AFRICOM able to work with Africa to meet this challenge?

The emerging role that Africa has begun to play in responding to increasing concerns about food security in the Middle East demonstrates how Africa can exploit its comparative advantage and how agricultural development could help to create a much needed platform for industrial development. The risks associated with this strategy might enable US policymakers to consider options that could help to secure American national interests whilst also enabling African economies to transform their economic base through agricultural development.

## **Conclusion**

In conclusion, this article raises a number of issues for US policymakers to consider how, in a changing world, with the rise of new centres of power, might US-Africa policy better connect with African people and African governments? In addition, how might this approach help to inform and improve America's understanding of Africa's own agenda of priorities, in order to help secure US strategic interests?

This analysis has perhaps raised many more questions than it has addressed. This is principally because the contours of the interplay between AFRICOM, Africa and Non-OECD countries are in a continuous process of evolution, and as such, mapping out the issues and questions in this way is a useful exercise in illuminating current understanding.

The first challenge posed at the outset was, in a changing world with the rise of new centres of power, how might US-Africa policy better connect with African people and African governments?

Firstly, Africa's partnership with Brazil involves the sharing and exchanging of experiences focused on social development transformation. This provides lessons about the forms of engagement that can deliver long-term results. Secondly, Africa's diplomacy and power partnerships with India underpin the importance of African autonomy and self-determination in a world where there is a growing number of new centres of power with divergent interests. The implication for US policymakers is to identify opportunities for a more effective US-Africa policy which allows Africa to demonstrate greater political assertiveness on the international stage without compromising either Africa's or its own strategic interests. Thirdly, China's significant presence in Africa represents an unprecedented challenge for both American and African strategic interests, albeit in very different ways. Africa may wish to explore how to develop a more competitive relationship with China in order to avoid commodity dependence. In addition, the US may wish to examine how it can begin to coherently complement China and minimise the risk of tensions with an emerging global power and perhaps becoming increasingly marginalised across the African continent. Finally, responding to food insecurity in the Middle East by achieving food security in Africa and agriculture-led industrialisation implies that US policymakers might consider ways in which a transformation in the economic base of African economies might help the US better pursue its own strategic interests on the continent.

The second challenge posed at the outset of this article was, how might a more informed and coherent US approach help identify Africa's own priorities, as well as secure US strategic interests on the continent? With the arrival of President Obama in the White House, US policymakers may wish to seize the opportunity to consider innovative ways of listening and negotiating with Africa to pursue their strategic interests, recognising that their dominance, leverage and strength has becoming increasingly (in relative rather than absolute terms) challenged by new centres of power with different models and approaches to African development and security.