

## **China and the United States of America in Africa: A New Scramble or a New Cold War?**

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### **Abstract**

*The African continent is beset by a new wave of resource exploitation which has been rightly termed the new scramble for Africa's resources. This new scramble is accompanied by another phenomenon in the mould of a cold war between China and the USA. This is a war of influence between the two countries to gain access to strategic resources in the African continent. This paper focuses on the strategies used by China and the USA in their efforts to exploit African mineral resources and highlights the strengths and weaknesses of these strategies. The paper also focuses on the impact of the new scramble on the African continent and discusses possible ways which African countries can use to benefit from the unfolding process.*

**Key Words:** Scramble, resources, China, USA, AGOA, Africa, and Oil

### **Introduction**

Africa has been a focus of attention internationally for various reasons. The deadly AIDS pandemic has had the most devastating toll in the continent, poverty wreaks havoc in most of the countries, intermittent wars rage across the continent and pockets of Islamic fundamentalists have actively pounced on unsuspecting locals and westerners and bombed United States of America (USA) embassies in certain parts of the continent. The United Nations (UN) has also been targeted in similar attacks in Nigeria. In the midst of all these difficulties, Africa has witnessed the resurgence of a phenomenon it historically experienced in the 19<sup>th</sup> century; the scramble for its resources initiated by outside countries keen to fuel their industrialisation projects and provide raw materials for the same. The new scramble that has taken root in the present era is no different from its predecessor except that countries with interest in African resources have increased significantly. The rising economies of China, Brazil, India and South Korea have also become active participants in the new scramble. However the USA and China have been the most active participants in this process.

While the first scramble was premised on the strong arm tactics of the different colonisers, the new scramble is more subtle and indirect. It utilises soft power tactics ranging from investments in infrastructure and provision of benevolent economic and humanitarian aid to preferential trade agreements. This trend has pointed in the direction of a new cold war between the most active participants in the new scramble, particularly between the USA and China. Pursuant to the idea of the exploitation of various strategic resources in Africa, the USA came up with the Africa Growth and Opportunity Act (AGOA) in 2000. This is a preferential trade arrangement that benefits selected products from eligible African countries by providing their duty free entry into the American market.<sup>1</sup>

Through this arrangement, the USA has not given market access to African products on a silver platter but has intelligently modelled it in a way that countries with strategic mineral resources and those who play important roles in the war against terrorism qualify for benefits even if they do not meet the set criteria. The Chinese on their part have used both the rhetoric of and practiced infrastructural development in countries they deem as having strategic resources vital for their rapid industrialisation. Neocolonialism has been the leading cause of the new scramble but all the participants in the process frown at this allegation, preferring a more humane description, of course. The other heinous characteristic of the new scramble is the rampant bribery of top government officials by different resource exploitation firms for mining concessions, protection and related favours.

Using a hotchpotch of trickery, feigned benevolence and sometimes naked aggression, participants in the new scramble have set their sights on not only exploiting the continent's resources but also on making sure that they establish strategic partnerships that will give them perpetual access to those resources. In this struggle for resources, different mechanisms have been used to lure African countries into the exploitation trap with the effect that the USA and China, especially, have now been locked in a new cold war. Although some of the participating countries have been willing to develop the infrastructural bases of the various African countries with whom they are doing business, some have not been too willing to do the same for various reasons that range from lack of government support of the private and public corporations involved to total disregard of the concerns and needs of their host countries.

This paper looks at the dynamics of resource exploitation in Africa, analyses the various ways in which resource hungry countries are using to gain access to the resources and recommends on how African countries can benefit from the second scramble for their resources.

### **The new Cold War**

While the cold war proper, which was fought through client regimes and other means, by the USA and the Union of Soviet Socialist Republics (USSR) ended in the period 1989 to 1991, a new cold war seems to be currently underway in Africa. China and the USA have become the major parties in this new cold war as a result of their competing positions in the world economic and political architecture. While the USA prides itself as a champion of democracy and boasts of the biggest economy, China seems unconcerned about western style democracy. While on one hand the USA is fighting to maintain its position as the world political and economic leader, on the other hand China has embarked on an offensive to dethrone the USA, though it has denied it several times. This state of affairs has increased competition for resources and influence especially in Africa between the two countries hence giving birth to the new cold war and or the new scramble.

On one hand, the USA promulgated the Africa Growth and Opportunity Act (AGOA), the Africa Command (AFRICOM), Millennium Challenge Account (MCA) among many other similar initiatives to extend a benevolent hand to African countries in an effort aimed at both establishing even stronger relations with and finding more acceptable ways of resource exploitation and securing national security interests in the continent. As the world's biggest economy, the USA's increased interest in Africa's oil, uranium, gold and other mineral resources should not be surprising. On the other hand, with reports that the Chinese economy is now second to the USA, the country now, more than anytime, needs the markets to sell its cheap products, the oil for its industries and the uranium for its electric energy sector. The China Africa Development Fund is the anchor of this resource exploitation drive coupled with massive investments in infrastructure development by private corporations.<sup>2</sup> Further, while the USA bases its benevolent economic programmes on conditions that promote democracy, China seems quiet about democracy but relatively strong on infrastructure development and investments that do not have too many stringent conditions.

The first cold war was a war of influence fought along the communist-capitalist axis. The major belligerents, the USA and the Union of Soviet Socialist Republics (USSR) used client states and organisations to forward their different ideological beliefs, with the USA championing Capitalism and the USSR championing Communism. The defining aspect of the first cold war was the seemingly indirect way in which the bipolar giants were engaged against each other, mainly depending on financing rebel organisations and client states to fight their own wars. With a few exceptions such as Vietnam, little direct combat engagement was involved. The end of the cold war, with the demise of the USSR between 1989 and 1991 ushered in a new unipolar order in which the USA was left as the only superpower in the international political and economic system.

Though the first cold war also involved economic incentives as weapons of warfare, the new cold war moved a gear up in its use of economic aid as a strategy for influence. This new cold war, now very pervasive in SSA, has seen the emergence of erstwhile passive role-players like China assuming a very important place. With the Africa Growth and Opportunity Act providing the much needed artillery in the USA's soft power arsenal in its new cold war efforts, older programmes like the USAID funded projects in much of SSA are being remobilised to add strength to USA's soft power arsenal. The main aim of these programmes in the present era is presumably not so much about economically developing SSA countries' economies but about scaring off the Chinese from Africa. The Chinese themselves have adopted an Africa policy that has seen them endear themselves with most of SSA. Where the USA has demanded the fulfillment of certain conditionalities as preconditions for access to economic and trade aid programmes, the Chinese have adopted a business only approach. Where the USA has shunned some SSA countries because of lack of democracy, the Chinese have moved in to fill the gap. In an illustrative case, the USA imposed a set of sanctions on Zimbabwe through its Zimbabwe Democracy and Economic Recovery Act (ZIDERA), which among other measures calls for US representatives to financial lenders to block any form of economic bail out plan for Zimbabwe because of the allegedly undemocratic nature of the Mugabe regime.

Following on this development, USA and European corporates reduced their business activities in and with Zimbabwe. Sensing an opportunity, China got on the offensive and immediately filled the gap. The much publicised Look East Policy is mainly premised on Zimbabwe-China relations that have been built over the years but reached a crescendo with the beginning of mammoth economic problems in Zimbabwe around 2000. The different responses to the Zimbabwe crisis by the USA and China is a reflection of differences in their Africa engagement strategies and an incarnation of a cold war style confrontation. China's successive blocking of EU and USA backed motions to place Zimbabwe on the agenda of the Security Council is also an illustrative case in this new cold war. The Chinese have therefore befriended USA's 'enemies' and friends alike while the USA continues to qualify countries for economic and trade incentives according to their willingness to fulfill certain conditions, but of course sacrificing these conditions where strategic interests are found. It is a trend that is expected to continue in the distant future.

At a bilateral level, the USA and China have clashed concerning China's checkered human rights record. China does not subscribe to the notions of western democracy; it is ruled by a single party and prioritises economic development at the expense of human rights. The 1989 Tiananmen Square killing of protesters by the Chinese regime indicated the government's loathe of democracy.<sup>3</sup> The sporadic spates of arrest and detention of human rights activists has further worsened China-US relations though the countries have been cautious to prematurely criticise each other.

Through AGOA, AFRICOM and remotely the Millennium Challenge Account the USA is seeking to effectively compete with China in Africa both for influence and for resources. Prior to the coming of AGOA the USA did not have a comprehensive policy towards Africa except for a rag-tag band of economic and humanitarian aid programmes funded by the United States Agency for International Development (USAID). The president of the Corporate Council on Africa, David Hayes, admitted the weaknesses of the USA-Africa Policy and the concomitant relegation of the USA to the margins as far as political and economic influence in Africa is concerned. He commended that;

It's easier for the Chinese to go in and do the deals. But we could have done some of the same deals and been transparent about it and met the rules. But I don't think we have been very creative about it...We need to take an integrated approach. We need to invest in the infrastructure. It needs to be built and not just by the Chinese, and the only way that's going to happen is that there has to be stronger public-private cooperation and planning on this side.<sup>4</sup>

David Hayes' sentiments reflect a country that has lost its way in Africa because of policy inconsistency. The USA is aware of the positives of Chinese policy towards Africa. The realisation of the need to invest in the infrastructure by the USA has been the missing link, and that was mainly precipitated by the fallacious belief that only trade can lift SSA economies out of poverty. This is why the Chinese seem to have taken significant steps in winning the hearts and minds of African leaders. The Chinese on their part have been willing to engage with SSA in a variety of ways. Trade between China and Africa has ballooned over the last decade and the Chinese have helped several African countries in the establishment of vital infrastructure. As reported by Guest;

In 2000, China-Africa trade was around \$10 billion. In 2007, it had reached \$73 billion. In 2008, it surpassed the United States as the continent's largest trading partner, hitting \$107 billion. Both private and state run companies are part of Beijing's Africa strategy, and it has deployed powerful mechanisms to promote this expansionism.<sup>5</sup>

The USA, because of its position in global affairs, was expected to take the upper hand in Africa since 2000 but the unipolar giant's policies towards Africa are now largely a reaction to the Chinese policy of expansionism. In this context China has been involved in post war reconstruction of roads and buildings in Sierra Leone and has refurbished some of Zambia's main roads.<sup>6</sup> In a presentation made at the Brookings institution, Hayes admitted that it is very difficult for Africans to get financing for their ideas and even more difficult for United States companies to get financing to do business in Africa.<sup>7</sup> While China has mobilised public and private firms to do business with Africa, the USA government gives little support to its concerned corporate entities, and while AGOA puts its faith in trade, the Chinese have continued to invest in the infrastructure that makes trade effective. While AGOA benefits a few, Chinese policy tries to cater for all forms of government; democratic or authoritarian, presumably realising that it is the people who benefit, not the governments.

On a fair scale, while the Chinese have not improved Africa's human rights record, they have overall continued to prioritise infrastructural development and have largely boosted trade between Africa and themselves. Though it is the Chinese who export more to Africa, investment in the infrastructure which boosts SSA's trade capacity can in the future bring down the imbalance. The USA has mostly prioritised trade. However, without the relevant infrastructural base, trade can not be effective. Africa needs not just preferential trade arrangements, it needs the infrastructure. China has therefore won significant victories in the new cold war and has significantly increased its stake in the new scramble for African resources.

### **The New scramble for Africa's resources**

The African continent has been at the mercy of resource hungry Western nations for over a century. While the first scramble for Africa was directly related to colonialism and the desire by the west to keep their hands on raw materials for their industries, the new scramble is premised on neocolonialism but the objectives remain the same. While the major players in the first scramble were mainly European, the second scramble also includes the growing economies of the East, led by China. The new scramble is however laced with a complicated mix of activities which sometimes makes it appear like a process that benefits SSA and the exploiting parties equally. While neocolonialism is mainly attributed to the invisible western hand in most of SSA economies, the Chinese have not hidden their desire for African resources. Though their Africa policy has benefited most SSA countries through infrastructure development, the basic fact remains that they want a bigger share in Africa's resource cake. Whether one views Chinese and USA activities in SSA as a kind of a cold war or a new scramble, the two processes can not be viewed exclusive of each other. The various economic initiatives undertaken by the two countries in Africa can be viewed as a way of influencing SSA governments to behave in ways that do not endanger their resource exploitation activities. AGOA and related programmes ensure the serene exploitation of oil resources in the eligible countries and China's infrastructural development and related activities have the same effect.

### **China in Africa: a review**

China is not new to Africa. During the colonial period, China's visible influence in Africa was in the aid it provided to many liberation movements especially in the Southern African region. The support that ranged from provision of military hardware to combat training set the tone for a positive post independence engagement between Africa and the Chinese. Since most of the 'bush' wars in the liberation struggles were inspired by a 'Marxist' desire to institute largely government controlled economies and states that jealously guarded their sovereignty, the stage was already set for more or less cordial relations with China, which also had adopted and continues to run its affairs in the same way. Unlike the USA, another factor that contributed to China's increasing role in African affairs is its policy of non- interference.<sup>8</sup> It is a policy purportedly premised on the respect of other countries sovereignty and respect of the political authority of various regimes. The Chinese do not comment on human rights abuses if they occur, they do not comment on government corruption and do not comment even where there is abundant evidence pointing to rigged elections. They seem comfortable working with whatever government there is.

The need for resources, especially oil, for their growing economy and the search for markets for their cheaper products have dictated that the Chinese become pro-active in Africa. Africa is one of the poorest regions in the world and a significant number of its people live in poverty. To China the poorer the people in Africa are the bigger the market for their cheap products. The Chinese have also exploited the desire by most African countries to have investments that do not come with too many strings attached, a divergence from the western model which normally sets conditions before qualification for investments or preferential trade arrangements. Further, the Chinese have been keen to venture into those countries mostly shunned by the USA and Europe and they have reaped big dividends as a result of this policy thrust. It is apparent that the Chinese have played on the weaknesses or supposed strengths of the USA policy in Africa to penetrate most SSA African countries and do business quite profitably.

In spite of China's positive engagement with most African countries, the fact is clear that its objective in Africa is the exploitation of the continent's abundant resources. The availability of raw-materials for its rapidly industrialising economy and oil energy to propel the same has heightened Chinese interest in Africa. This gives credence to the belief that Africa is beset by yet another phase of plunder by external forces. This new scramble is more intricate and does not pass for one if perceived through uncritical lenses. Backed by investments and preferential trade terms including economic and humanitarian aid, bribery of top government officials and other covert activities, the scramble is well strategised that indigenous people may not notice the heinous ill being done to the future of their progeny.

With most of the industrialised or industrialising world increasingly getting dependent on oil, the Middle East alone can not adequately supply enough of the world most strategic resource, hence like the USA, China is actively involved in the exploitation of oil in a number of African states. Africa has 9% of the proven world reserves of oil, but is believed to have more.<sup>9</sup> Compared to Middle East which has 62% of the world total oil reserves<sup>10</sup> Africa might seem a distant prospect as far as the exploitation of its oil reserves by the competing powers is concerned. However, though China imports half of its oil requirements from the Middle East<sup>11</sup>, Africa has become an important resource region since the countries are in need of investments that create employment for their impoverished populations. However this desire for investments in other countries is checked by an impenetrable feeling of sovereignty that does not brook conditionality based investments.

The Chinese have hence been able to exploit oil from countries that are either dictatorial or have ultra-sovereignty inclinations. These are countries that are either under USA sanctions or have little trade ties with the global power. Since 1993, China's domestic oil production has been insufficient to sustain the increasing demand from its growing economy.<sup>12</sup> With revelations that China's energy consumption doubled in the last decade alone and that its booming economy has been growing at a staggering rate of 9% in the past two decades<sup>13</sup>, the need for oil in the country is naturally expected to increase in the coming decades as well. The International Energy Agency projections are that China's energy imports will be 13.1 million barrels per day by 2030, a huge leap from 3.5 million barrels of 2006.<sup>14</sup>

Because of its policy thrust, China imports 60% of Sudan's oil mostly through the state-owned China National Petroleum Corporation.<sup>15</sup> This might be a bother to the USA which has consistently imposed sanctions on the Al-Bashir regime.<sup>16</sup> However China has also not been hesitant to get into those countries which have traditionally had oil trade ties with the USA, though it has managed to strike lucrative exploitation deals in not so popular countries like Gabon and Equatorial Guinea in the Central African belt.<sup>17</sup> In the words of Stephanie Hanson;

...First it (China) has pursued exploration and production deals, in smaller low visibility countries such as Gabon, Equatorial Guinea and the Republic of Congo. Second it has gone after the largest oil producers by offering integrated packages of aid. In Angola which exported roughly 465 000 barrels of oil per day to China in the first six months of 2007, Beijing secured a major stake in future oil production in 2004 with a \$2 billion package of loans and aid that includes funds for Chinese companies to build rail roads, schools, roads, hospitals, bridges and offices; lay a fiber-optic network; and train Angolan telecommunications workers.<sup>18</sup>

The approach of the Chinese as spelt out in the foregoing is different from the USA or Europe in that the Chinese government has strategically deployed state owned and private enterprises in Africa not only to exploit the oil resources but to invest in infrastructural development on fairly cheaper terms.

That is why China consistently claims that its relationship with Africa is based on mutual benefit and not on exploitation. From a new cold war perspective, lack of a strong infrastructural development component in US-Africa relations is the Achilles' hill of the United States foreign policy in Africa. This is where it has lost to China in the last decade. However, Chinese policy in Africa has had its critics, especially from US thinkers. Elizabeth C. Economy, Council on Foreign Relations (CFR) senior fellow, as quoted by Stephanie Hanson maintains that, 'China is following a very traditional path established by Europe, Japan and the United States: offering poor countries comprehensive and exploitative trade deals combined with aid'.<sup>19</sup>

Added to that, energy consultancy Wood McKenzie's estimation is that Chinese companies hold under 2% of proven oil resources in Africa.<sup>20</sup> Considering that such criticisms emanate from the apparatus and institutions supported by the USA, itself a belligerent in the new cold war in Africa and one of the competitors in the resource exploitation race in Africa, it is not only natural but understandable. The Chinese on their part have defended their position and philosophy of doing business in Africa using various fora; for example the main objectives of the China Africa Development Fund (CAD) are explained and couched in idealistic and appealing statements, some of which read thus;

...it (CAD) is a special fund which aims to support Chinese companies to develop cooperation with Africa and enter the African market...CAD fund is a pioneering move in the process of mutually beneficial cooperation between China and Africa, it remedied the gap under the traditional model of free aid and loans...and continually following the investment philosophy: to build up "bridge linking" and "connection" of the economic and trade cooperation between China and Africa; to enhance the self-develop capability of Africa; to strictly fulfill the investment environment and social responsibility; to create mutually beneficial and win-win between China and Africa by market oriented operation.<sup>21</sup>(Sic)

It is not only the Chinese who have explained their relationship with Africa in this positive way. African leaders themselves have been full of praise for Chinese investments, infrastructural development projects in Africa and the booming trade between the two parties. For instance, in his current term as president of South Africa Jacob Zuma has tried to balance relations with both the USA and China. Gunjan Singh of the Institute for Defense Studies and Analysis (IDSA) quotes Zuma saying Chinese investments aim, "...not to colonise, but to help Africa stand on its own and work together with China".<sup>22</sup> Though South Africa has significant economic relations with the USA including its status as an AGOA beneficiary, the increasing importance of China both as an investment and trade partner, not only to South Africa but to the whole of Africa can not be ignored. The Zimbabwean president, Robert Mugabe has also praised the Chinese for their non interference approach to African affairs and their willingness to aid the impoverished and marginalised people of Africa. Whether this is a desperate attempt to woe the Chinese to fill the gaps left by European investors in protest to the land reform programme or a message to westerners that Africa can do without them is subject to varied interpretations, but the fact remains that China has demonstrated its ability to compete effectively against either Europe or the USA in trade, investment promotion and resource exploitation in Africa.

The belief that the new scramble for African resources is mainly premised on the need for oil resources by China, Europe and the USA has gained credence over the past decade. However both the Cold War and the new scramble have also made other strategic minerals their objectives. The battle for these minerals again has been so pronounced between the United States and China with the effect that AGOA and other USA programmes have and continue to be aggressively utilised in pursuit of this objective. In fact since AGOA constitutes one of the USA's soft power weapons in Africa it will be crucial in countries that have minerals like uranium, cobalt, manganese, oil, platinum among others. AFRICOM has the potential to form the basis of future USA military engagement in Africa and the new cold war might actually be turned into real direct combat engagement between the USA and China for strategic African resources.

In his reflections in the Southern Times, Dr Stephen Burgess believes that Southern Africa has some of the strategic minerals for industrial and military purposes in the USA.<sup>23</sup> He displays fears that the current (semi)-nationalisation wave in Southern African countries of Namibia, South Africa and Zimbabwe could dent USA chances of accessing the strategic resources in the region.

He also expresses fears that the recently formed Epangelo, a state created miner in Namibia dealing with Uranium mining threatened American chances of accessing the strategic mineral since the state miner is looking for mainly Chinese and Russian partners. Fears of a failure of USA policy in Southern Africa have been further heightened by the impervious nature of the Mugabe government in Zimbabwe and the increasing calls by the African National Congress (ANC) Youth League to nationalise 60% of new mines in South Africa.<sup>24</sup> Democratic Republic of Congo (DRC) and Angola's leaders have also not been too willing to let the USA foreign policy achieve its goals of resource exploitation in their respective countries<sup>25</sup>; this has been a thorn in the flesh for the USA. However as Southern African countries become increasingly suspicious of USA manouvres, they are also getting even closer to China. This could be linked to the fact that China is regarded as a developing country whose interests are the same as the rest of the Third World countries. China has also got the exploitation leverage in the continent because of its stance against imperialism. However, weather this heightened Chinese interest in African resources does not constitute a form of 'Chinese imperialism' is a matter of debate.

### Conclusion

The new scramble for African's resources is a very pervasive process. It is more like a whirlwind that is sweeping across the length and breath of the African continent. In its wake it has left a trail of disaster, just as the first scramble did. However the new scramble has come with it a calabash of incentives meant to make African countries let go of their natural endowments such as oil, platinum, diamonds and other strategic minerals. Chief among these incentives have been the aggressive Chinese investment drive in countries rich in oil and additional important commodities for their *Blitz-Krieg* industrialisation drive. The USA has also used incentives to access African resources in the new scramble. The AGOA legislation has been used to grant duty free market access to a host of products from eligible SSA countries who meet certain qualification criteria. However the qualification process has been covertly manipulated by the USA to gain access to oil in countries like Nigeria, Cameroon and Chad. The USA has further used AGOA to achieve its security objectives through denying access to benefits to countries that harbour or support Islamic fundamentalist movements.

Accompanying the new scramble for Africa's resources is a process more akin to the cold war. In the process of exploiting and finding ways to exploit African resources, China and the USA have also been fighting a war of influence. This low intensity conflict has been characterised by philanthropic policies from both China and the USA. While the USA has used AGOA, MCA, military and economic aid, China has come up with an aggressive investment drive spearheaded by both state-owned and private firms. While it is relatively easy for Chinese entities to invest and do business with Africa, USA corporate entities have been finding it difficult to invest and do business with Africa. However the USA has gone a step further in its supposed containment drive against China and other parties in the new scramble and the new cold war through AFRICOM, which allows the USA to have a military foothold on African affairs. AFRICOM points to the potential use of military force by the USA in the new scramble and the new cold war. With the USA's position as a global power being undermined by the rapidly growing Chinese economy and the latter's ever improving defense capabilities, the USA is wary of the potential that China has to topple it from the pinnacle of world affairs. Thus AFRICOM as part of US foreign policy in Africa will play a critical deterrent role against Chinese expansionism, especially with regards to dissuading it from venturing into the USA's sphere of influence.

The NATO bombardment of Libya was most certainly centered on the USA and other western countries' desire to tap into the Libyan oil reserves. Brian Becker of the A.N.S.W.E.R coalition contends that Gaddafi was facing and fighting a new colonialism.<sup>26</sup> He further envisages that since November 2007, the USA has been worried about who should control Libya' vast oil reserves. The first step that marked the desire by the USA to extend its hand into the Libyan oil reserves was the lifting of economic sanctions on the country in 2004 by former president George. W. Bush. Interestingly, just six weeks after the NATO bombing of Libya began; the leaders of the western oriented National Transitional Council based in Benghazi flew to Washington for diplomatic discussions. It is also interesting to note that as early as 8 June, 2011, the first shipment of Libyan oil arrived in the USA.<sup>27</sup> It is the involvement of AFRICOM in the Libyan operation that should make Africans shudder. In the Libya conflict, the USA and its Western alliance displayed their desire to use military force in the war for resources in Africa. Countries that are in line for the hosting of a central or disaggregated headquarters in Africa should learn from Libya's experience. By giving in to US overt or covert pressure for them to host AFRICOM, they will be acting as pawns in the exploitation and plunder of their continent's resources.

Libya is only the beginning of a new phase of resource wars perpetrated by the invisible western hand that cynically pits governments against sponsored rebel organisations. In the ensuing chaos, resources are either looted or western Multinational Corporations are given greater access to them resulting in massive exploitation. New Savimbis and Mobutus are and will be created in this era of the new scramble and the new cold war. The Libyan crisis quickly attracted the attention of western countries that in essence had been waiting for an opportunity to enter the country because it has the largest oil reserves in Africa and is ninth in the world.<sup>28</sup> In the current era of the new scramble and the new cold war, insatiable appetites for oil are at a peak and policies of the participating countries are continuously manipulated to achieve the set goals. Pitifully, only a few African countries are responding to this disturbing turn of events in the manner that they should. However, notwithstanding the veracity of the above opinions, the battle for resources and influence in Africa is still largely in the realm of the politics of soft power.

### **The way forward for Africa**

African countries are beset by a nauseating syndrome. Clapping hands at international conferences financed and convened by resource hungry countries, the leaders are happy to receive little more than mere pittance in exchange for the exploitation of their strategic minerals. Instead they should call for massive injection of investment funds in the construction of roads, railway lines, and information and communications technology and most importantly in the establishment of relevant and durable manufacturing and value addition infrastructure that also makes it possible for African countries to add value to their minerals and sell them at better prices.

The disturbing trend is that most African countries export minerals in their raw state and later buy them from the USA, Japan, China or Europe as finished products but at very costly prices. In this vein, who ever wants to invest should be prepared to transform the raw product into a finished one in the country in which the mineral is mined so that employment is created and the government gets additional revenue. Continued reliance on the finished products of the Chinese or the USA will give potency to the present dependency situation where most of the important finished products are purchased from the west. Africa should therefore invest a lot of combined diplomatic efforts in getting the message to the Chinese, the USA and all the other parties in the new scramble that roads and railways alone are not enough, but local value addition of exploited minerals and diversification should also be on the agenda in the new scramble. Better deals will only come if Africans form a common front with the same objectives.

Additionally, instead of purely American, Chinese or Indian companies doing the actual extraction of the minerals, African countries should put quotas for indigenous people to also get involved in the same. If they do not have the capacity on their own, they can form joint ventures with the foreign firms who should be obligated by the law to allow the participation of local business people in their various ventures. The national economic empowerment guidelines in Zimbabwe could be instructive in this case.<sup>29</sup> Though this strategy has been blamed for scaring away investors in Zimbabwe, it has been proved that it is the same strategy that pushed South Korea and China to where they are today.<sup>30</sup> Africa can also do the same!

Lastly, since African countries are so rich in strategic minerals, it is only prudent that they get financing to both extract and process the minerals into finished products. The African Development Bank (ADB) and regional central banks should help individual African countries who embark on such a path through the provision of loans with flexible repayment plans. Other willing international lenders should also be approached for the same reason. In doing all this, it should however be noted that African countries would be directly headed for a head on collision since most of the belligerents in the new cold war or parties in the new scramble prefer African countries exporting minerals and other products in their raw state. A host of traditional covert tricks will be used against governments that tread on that path. Coups de tat can be planned and executed, sanctions will be imposed and bribes will be paid to government officials willing to derail the process. In this vein African countries should come to the full knowledge that international economic relations are also about permanent interests and there are no permanent friends. States exist in an anarchic environment where economic and political survival is a primary objective. The Chinese will befriend the continent for a time because they need the resources, once they have achieved their goals, leaving deep gorges and dongas on the African terrain, they will desert the continent. The USA will do the same. The time therefore is now to call for partnerships that benefit both parties, with proceeding benefits to future generations. However the idea is not about nationalisation or expropriation but about partnership.



**Endnotes**

<sup>1</sup> Mushita A, 'An African response to AGOA', *The Southern African Economist*, 6, 2001, pp. 17-19

<sup>2</sup> The China-Africa development fund is the nerve center of China-Africa economic relations dealing with a wide range of investment related issues between the two parties. More information can be accessed at <http://www.investopedia.com/terms/c/china-africa-development-fund..asp>

<sup>3</sup> Szczepanski K, 'What really happened at Tiananmen?' <<http://www.asianhistoryabout.com/od/china/a/tiananmen.html>. - accessed 6 July 2011.

<sup>4</sup> A speech by David Hayes at the Brookings Institution as quoted by Guest P in his article, 'Chasing the dragons', *This is Africa*, September 2009.

<sup>5</sup> Guest P, 'Chasing the dragons', *This is Africa*, September 2009.

<sup>6</sup> *Ibid.*

<sup>7</sup> Hanson S, 'China, Africa and oil', June 6, 2008, <<http://www.cfr.org/china/china-africa-oil/p9557>.

<sup>8</sup> Singh G, 'China Africa Relations: New Terms of Engagement', 9 September, 2009 <<http://www.idsa.in/idsa.in/idsacomments/>

<sup>9</sup> *Ibid.*

<sup>10</sup> *Ibid.*

<sup>11</sup> *Ibid.*

<sup>12</sup> *Ibid.*

<sup>13</sup> *Ibid.*

<sup>14</sup> Weinstein L, 'The New Scramble for Africa', *The International Socialist Review*, Issue 60, July-August 2008, <<http://www.isreview.org/issues/60/feat-Africa.shtml>.

<sup>15</sup> *Ibid.*

<sup>16</sup> Hanson S, *op.cit.*

<sup>17</sup> *Ibid.*

<sup>18</sup> *Ibid.*

<sup>19</sup> Hanson S, *op.cit.*

<sup>20</sup> Wood McKenzie quoted by Hanson S, *Ibid*

<sup>21</sup> For more information on the China Africa Development fund, reference can be made to the website mentioned on note 24 together with the following website <<http://www.cadfund.com/en/index.asp>

<sup>22</sup> *Ibid.*

<sup>23</sup> In the Southern Times of 27 May 2011, Dr Stephen Burgess, a Zimbabwean born Professor at the USA war college was largely quoted by Tirivavi Masawi in his article on the new scramble for Africa. Burgess believes that the USA's policy in Southern Africa may fail because of the nationalistic sentiments on the rise in most of the countries.

<sup>24</sup> *Ibid*

<sup>25</sup> *Ibid.*

<sup>26</sup> Report on Press TV-14 June 2011

<sup>27</sup> *Ibid.*

<sup>28</sup> *Ibid.*

<sup>29</sup> Further information on Zimbabwe's indegenisation policy, which has been criticised by other thinkers for scaring away investors can be accessed on <<http://www.somalipress.com/guides/finance/zimbabwe-economic-policy.html>.

<sup>30</sup> See report by Osei Boateng in the New African edition of April 2011