The Evolution of China-Africa Economic Relations

Professor Zheng Yu from the School of International Relations and Public Affairs, Fudan University, China, reviewed the history of China-Africa economic relations and discussed at an EAI seminar how the historical legacy of aid-based relations has transformed into a multifaceted relationship involving not only capital and trade, but also knowledge sharing and policy learning.

Professor Zheng explained that China-Africa relations stretch all the way back to the 1950s when the newly formed People’s Republic of China (PRC) under Mao Zedong decided to reach out to the newly independent African states. Then Premier Zhou Enlai made his first African tour in 1963-1964 when trade was a mere US$40 million between China and Africa in the 1960s. Chinese imprint during this period was the Tazara railway, stretching from Tanzania to Zambia. Professor Zheng argues that Chinese aid to Africa during the Cold War period was politically motivated – to win the hearts and minds of these newly independent African countries so as to gain more support in the United Nations general assembly to oust Chiang Kai-shek’s government in Taiwan from the Chinese seat.

Professor Zheng also argues that in the 2000s, a new model of development cooperation between China and Africa characterised by a troika of aid, loans and investment has emerged. African leaders were eager to learn from the success of Shenzhen as a Special Economic Zone. Notably, Huawei has built 70% of Africa’s 4G networks and Transsion holds 50% of Africa’s mobile phone market. African exports to China also have positive impacts on African industrialisation.

Professor Zheng states that China-Africa economic relations are partially shaped by historical legacies and Chinese engagement in Africa appears to have positive economic effects overall, but they vary substantially across countries and over time.

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