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China's Strategies in Economic Diplomacy: A Survey of Updated Lessons for Africa, the West and China

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Abstract

The Washington consensus, the hitherto dominant scheme is being encroached by the Beijing model. Many African nations are increasingly embracing this Beijing approach because the dominant Western model has failed to deliver on a number of fronts. This is increasingly evident because China's economic diplomacy has been politely and strategically coined to achieve just that. A case study is used here to articulate the currents of the survey. The paper puts some structure on China's economic diplomatic strategies and discusses lessons for Africa, China and the West. It contributes to existing literature by critically engaging on why it is necessary for the West to adjust the conception and definition of the Washington Consensus as a complement to the Beijing model. In order to remain relevant in the 21st century and beyond, the Washington consensus can incorporate the Moyo (2013) conjecture which postulates that, while the Beijing model is optimal in the short-run, the Washington Consensus remains the optimal long-term development model because it is more inclusive.

JEL Classification: F19; F21; O10; O19; O55
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1. Introduction

The desire by independent African countries to seek new relationships in the 21st century with non-Western allies is not a very puzzling development. Resource wars fought by white mercenaries, government corruption by Western companies, International Monetary Fund (IMF) Structural Adjustment, Cold War manipulations from the West, Apartheid, colonialism and slavery: all are a number of factors that are pushing nations of the continent towards alternative partners. Against this background, China's growing economic and political influence has become an attractive alternative for African governments (Robinson, 2009). China's investments are substantially growing in Africa. It has adopted a strategy that is not just nefarious subversion masked by altruism. Chinese policies are guided in principle by equitable strategies that the West has failed to devise since the late 19th century: "*China returns to Africa in the 21st century with not only a need for economic resources but with the cash to play the game dramatically and competitively*" (Lyman, 2005).

Accordingly, the rise of China has recently been subject to growing interest due to its strengthening of South-South relations and its significance for the international system. In essence, Africa's political and economic landscape is increasingly experiencing China's emerging footprint. China's success in Africa has raised the debate in academic and policy making circles about the former's strategies. Among the subjects for debate, China's strategy in economic diplomacy has been in the forefront (Asche et al., 2008; Besada et al., 2008; Biggeri et al., 2009; Ortmann, 2012; Asongu & Aminkeng, 2013). This is compounded by the fact that, China has an African strategy while most African countries south of the Sahara (with the exception of South Africa and Botswana) do not yet have a China strategy to balance the asymmetry in economic relations. The present paper aims to examine China's strategies in economic diplomacy before drawing lessons for Africa, China and the West[1].

[1] 'Strategy' as the narrative implies, is a 'foreign policy strategy' aimed at balancing an asymmetric trade relationship while a 'China model' implies the adoption of the Beijing Consensus which prioritizes 'economic

The definition of China's economic diplomacy is multidimensional and complex. While it is defined by Flu (2012) from the Devil's dictionary as a '*patriotic art of lying for one's country*', the Center for International Governance Innovation (CIGI, 2008) conceives it '*as the application of a nation's favorable economic conditions toward particular foreign policy objectives*'. In accordance with Flu (2012), diplomacy these days can be largely reduced to economic gains in which corporate and national interests converge to a degree that both learn the importance of sharing information and working together. Hence, in order to compete overseas every rising power needs to flex its muscles and support its domestic corporations in foreign nations; by engaging with the governments of those nations to ascertain economic security for domestic firms. A substantial part of China's diplomacy today is essentially concerned with economics: natural resources, new markets for its burgeoning domestic industries and security in energy. This has led the Chinese to successfully target business opportunities at the international level in big and small nations alike.

Given the controversial interest that China is demonstrating in its economic relations with African countries, there are heated debates in academic and policy-making circles about Chinese motivations and aims (Taylor, 2006; Asongu & Aminkeng, 2013). The present exposition contributes to the debates and discussions by providing some valuable lessons for China, Africa and the West. As far as we have reviewed, the current literature can be improved with updated lessons for all three parties concerned in the debates.

To the best of our knowledge, the growing literature on China-Africa relations which we critically engage in the next section leaves space for one principal improvement: what lessons can be learnt from China's economic diplomacy by all parties concerned in the growing narratives (Jenkins & Edwards, 2006; Schiere & Walkenhorst, 2010; Chemingui & Bchir, 2010; Brenton & Walkenhorst, 2010; Sanfilippo, 2010; Schiere, 2010; Wu & Cheng,

rights' over 'political rights'. Hence, in the context of this paper, China's strategy in economic diplomacy is different from the Chinese development model.

2010; Biggeri & Sanfilippo, 2009; Wei & Wang, 2009; Ji, 2010; Wang & Zheng, 2010; Fantu & Cyril, 2010; Zhu, 2010; Renard, 2011; De Grauwe et al., 2012; Drogendijk & Blomkvist, 2013; Wei, 2013; Lin & Farrell, 2013; Diaw & Lessoua, 2013; Munemo, 2013; Zhang et al., 2013; Adekunle & Gitau, 2013). The highlighted literature is dealt with more substantially in the remainder of the paper.

Accordingly, the plethora of studies which have focused on the move of China into Africa have stressed the growing relevance of multi-polar international strategies (Tull, 2006); concluded that both pull and push factors are responsible for the move (Biggeri & Sanfilippo (2009); established that while the relationship is beneficial in the short-term, more has to be engaged by both parties to reduce the asymmetric and exclusive interest of the relationship (Fantu & Cyril, 2010); the targeting of African countries with questionable governance standards (De Grauwe et al., 2012; Tull, 2006; Renard, 2011); resource-driven ambitions (Kolstad & Wiig , 2011); the good, bad & ugly faces of China (Babatunde, 2013); politics behind Sino-African relations (Taylor, 2007); increase in trade openness with China not a source of higher standard of living for poor countries on the continent (ELu & Price, 2010) ; diversification of the regional economies to mitigate the unappealing effect of trade openness on economic prosperity (Diaw & Lessoua, 2013) and the need for Africa to engage in a more substantial manner in directing and shaping the Sino-Africa friendship in order to tackle current challenges (Olivier, 2014, p. 15).

The contribution of this study to existing literature is threefold. First, it critically structures China's economic diplomacy into strands that provide an enlightened perspective of the strategies it employs to foster its economic ties with African nations. Second, based on the engaged strategies, we discuss lessons for African countries, the West and China that are relevant in rendering Sino-African economic relations more sustainable and inclusive. Third, between the narratives, we critically discuss why the Washington Consensus and the Beijing model are complementary development strategies.

The rest of the paper is organized in the following manner. Section 2 reviews the literature with particular emphasis on China-Africa relations and China's economic diplomacy. Lessons from China's foreign policy for herself, Africa and the West are engaged in Section 3. Section 4 presents an illustrative case study, while Section 5 concludes.

2 China-Africa Relations and China's Economic Diplomacy

2.1 China-Africa relations

There has been a growing stream of the literature focusing on the increasing involvement of China and its sisterly Asian countries in Africa (Goldtstein et al., 2006; Guerroro & Manji, 2008; Alden et al., 2008; Carmody & Owusu, 2007; Kitissou, 2007; Carmody, 2008; Naidu, 2008; Asongu & Aminkeng, 2013). In this respect, interesting conceptual frameworks have emerged on the effect of fast evolving Asian economies (like China and India in Africa) and among others are investment, governance and trade mechanisms (Carmody, 2008; Kaplinsky & Messner, 2008).

China-Africa relations have increasingly been the focus of policy debates because of the growing importance of China in the global economy. In essence, the significance of China in the international system and the evolving paradigm on the strengthening of South-South relations has led to Africa's politico-economic landscape increasingly experiencing China's burgeoning footprint (Asongu & Aminkeng, 2013). Indeed, the increasing engagement of China with Africa has raised many concerns in circles of development policy (Osei & Mubiru, 2010). Essentially, many concerns have been raised both in developed and developing nations about the burgeoning relationship (Wei & Wang, 2009; Jenkins & Edwards, 2006; Biggeri & Sanfilippo, 2009; Zhu, 2010; Fantu & Cyril, 2010; Wang & Zheng, 2010; Ji, 2010; Renard, 2011; De Grauwe et al., 2012; ; Wei, 2013; Diaw & Lessoua, 2013; Drogendijk & Blomkvist, 2013; Zhang et al., 2013; Adekunle & Gitau, 2013; Munemo, 2013; Lin & Farrell, 2013).

Over the years, China has experienced a substantial acceleration of economic prosperity coupled with greater openness of its economy. This has led to the country becoming an important player in the world economy. Stylized facts go with the approximately one out of every five on earth are living in China and its economy has been growing substantially (Jenkins & Edwards, 2006). Consistent with the narrative, trade as a percentage of GDP grew by more than 66% for the country between 1990 and 2002. Though its portion of global trade and output is still behind in per capita terms their increase has been quite significant nonetheless (World Bank, 2014)[2]. This increasing footprint on the global arena has been the focus of much attention in developing countries, including the influence China is exerting on Latin American and Asian countries and particularly on African nations (Moreira, 2007; Lall et al., 2005; Wei & Wang, 2009; Ortmann, 2012; Wang & Zheng, 2010).

In essence, beside the boost in Sino-African trade since the 1990s, China has also emerged as a source of considerable foreign direct investment (FDI) over the past years (Diaw & Lessoua, 2013; Fantu & Cyril, 2010; Jenkins & Edwards, 2006). Whereas Sino-African trade experienced a slow-down in the 1990s, it also witnessed a sharp reversal and increased substantially from 1998 (Jenkins & Edwards, 2006). Hence, relative to Western industrialized nations, Sino-African trade has been increasing at a breath-taking pace (Asche & Schüller, 2008)[3]. This narrative is broadly in accordance with De Grauwe et al (2012, p. 15) who argue that, from approximately below 1percent in the 1980s, China's portion of commodity imports

[2] According to the World Bank (2014), with respect to GDP per capita, China does not feature among the Top 100 countries in terms of the Atlas methodology or Purchasing Power Parity (PPP). More information on China's GDP per capita progress can be found on the following link: http://knoema.fr/sijweyg/gdp-per-capita-ranking-2013-data-and-charts

[3] According to the International Monetary Fund (IMF, 2006) and China's Commerce Yearbook (2007), foreign trade value increased approximately tenfold to $55.3 billion in 2006 from $5.5 billion in 1998.

and exports had risen to about 13 percent and 11 percent respectively by 2009. This was above the share of any independent European nation in terms of trade with Africa.

The involvement of China in Africa is increasingly the focus of media attention (Carmody, 2008). While her engagement with the continent has been embraced with much disapproval and fear from Western nations (Mawdsley, 2008), some African scholars have expressed positive sentiments as an alternative to the Washington Consensus (Carmody, 2008). To the best of our knowledge, there are two main dominant discourses. *First,* there is a stream that is of the opinion that, China's increasing demand for natural resources in the continent has led to a twofold consequence: substantial recognition of Africa as an important source of the global market's raw materials and a growing focus on reasons behind the continent's poverty (Asche & Schüller, 2008). It could also provide new avenues for breaking the stubborn cycle of low per capita incomes (Asongu, 2013a,b; 2014a,b). *Second*, there has also been a growing feedback from some accounts asserting that China's increasing involvement in the continent is indistinct from those of Western powers which earlier regarded it as a good market for cheap manufactures and a supplier of abundant cheap raw materials (Biggeri & Sanfilippo, 2009). This second stream also maintains that China, by virtue of its non-interference policy, is increasingly willing to engage with African governments that are unwilling to improve their governance standards (De Grauwe et al., 2012). In fact, the narratives have been presented in terms of schools of thought in recent literature.

According to an argument by Asongu & Aminkeng (2013), the engagement of China in Africa has significantly increased over the last decade and today is surrounded by three main schools of thought. First, *optimists and indifferent people* think that, it is a tantalizing opportunity, though Africa has little option (Asche & Schüller, 2008; Akomolafe, 2008; Kamwanga & Koyi, 2009; Fantu & Cyril, 2010; Renard, 2011; Freschi, 2010; Diaw &

Lessoua, 2013). *Second*, a *balanced-development* perspective sees the shift in paradigm as an alternative to the dominant Washington Consensus that has essentially been based on the orthodoxy of institutions fundamentally taking precedence over economic prosperity in development (Tull, 2006; Wang & Zheng, 2012; Anyanwu & Erhijakpor, 2014). Third, there is a *neocolonial stream* consisting of *pessimists* who view the relationship as unstable and very asymmetrical (Clinton, 2011).

First, the *Neocolonialist school* is promoted by skeptics of the China model[4] who are predominantly Western nations. They point out that Chinese transactions in FDI, aid and trade are not linked to good governance conditions. Hence, its link with the continent is simply profit-making and leaves little or no ladder of opportunity for the poor. Therefore, the engagements are not always to the benefit of host nations. This is contrary to a Western engagement consensus like the African Growth and Opportunity Act (AGOA)[5] from the USA, which goes beyond profit-making by seeking to make Africa a better place through the promotion good governance (Clinton, 2011)[6].

Second, the *Balanced-Development School* sees Sino-African relations as a symmetrical development approach (Fantu & Cyril, 2010) provided that Africa can also devise a 'China policy' to balance existing asymmetric economic relations. For example, China's non-interference foreign policy offers African governments the leverage to assert their sovereignty in bilateral relations. Three points are worth elucidating here: (1) China's aid

[4]The Beijing development model favors state regulation and prudence in market openness. It lays emphasis on national sovereignty and prudential market reforms (Nijs, 2008). It may also be defined as 'deemphasized democracy, state capitalism and priority in economic rights', contrary to the Washington Consensus which is alternatively defined as 'liberal democracy, private capitalism and priority in political rights' (Moyo, 2013). Despite some criticisms (Huang, 2010), the Beijing model is being increasingly recognized as more adapted to 21st development, compared to the Washington Consensus that champions free trade.

[5] The AGOA offers tangible incentives for African nations to continue pursuing the process of building free markets and opening-up their economies. It is also important to note that China has used the AGOA to temporarily relocate textile production (Eliassen, 2012).

[6] This school could be summarised into three main myths surrounding Sino-African relations: the Chinese not hiring workers in Africa, China targeting African countries which have abundant natural resource wealth and; Chinese companies outpacing other corporations by flouting environmental and social standards (Freschi, 2010; De Grauwe et al., 2012).

without preconditions substantially steers clear of the Western methods of assistance which are used to patronize African states (Tull, 2006)[7]. Hence 'colonialism' as employed by the first school of thought is misplaced in labeling Sino-African relations. The intuition for this misplacement rest on the fact that, the use of 'investment and trade' as instruments to influence the 'decision making' processes in African nations by more advanced countries is synonymous to some degree of 'neocolonialism', (2) Given that China and Africa were almost in the same economic troubles in the 1960s, Akomolafe (2008) thinks there is much to learn from the former because it preferred to chart its own development course and did not follow the prescriptions of the Washington Consensus administered to the latter. (3) China's foreign policy is consistent with the NEPAD (New Partnership of Africa's Development) and African Union, on the conception of African ownership.

The third strand is the *Accommodation School*. It sustains that even if China has ambitions of neocolonialism, African nations have little or no alternatives (De Grauwe et al., 2012). This is essentially because: (1) Western powers are no 'less neocolonialists' and; (2) few feasible options exists beside the West and China. In a nutshell, the strand sustains that China is playing by the very rules of capitalism set by the West. Moreover, despite being good students, there is little evidence that Western prescriptions have developed Africa (Bartels et al., 2009).

The above three schools of thought which are consistent with our own views have been critically used to debunk five main myths surrounding Sino-African relations. These include: "*China targets aid to African states with abundant natural resources and bad government, the Chinese do not hire Africans to work on their projects, Chinese workers and managers live in extremely simple conditions as compared to Western advisors, China*

[7] While it is difficult to distinguish grants-in aid from interest free loans, the fact that loans are interest-free is nevertheless a form of aid. Moreover, China's aid is not totally without pre-conditions because the recognition of Taiwan as a Chinese province is a required from recipients (Gehrold & Tietze, 2011).

outbids other companies by flouting social and environmental standards and *there are low linkage levels between Chinese and local businesses"* (Asongu & Aminkeng, 2013, p. 263).

2.2 China's strategies in economic diplomacy

As has been said, there has been much discussion of China's economic engagement with Africa. Among them, many studies have tried to comprehend the move of China to the continent. This may be part of a non-intervention and multi-polar international strategy (Tull, 2006). In line with the narrative, debt cancellation, growing investment and the aforementioned burgeoning Sino-African trade have benefited African and Chinese elites for the most part because they have targeted Chinese strategic interests in oil and other natural resources.

China's move into Africa could also be wheeled by some strategic interaction among three principal mechanisms, which could be construed as push factors, inter alia: trade, economic co-operation and FDI. On the other hand, the pull factors include, amongst others: market potential and natural resources (Biggeri & Sanfilippo, 2009). But the connection could be mutually beneficial in the short-run. This has led Fantu & Cyril (2010) to propose steps that African governments can embark on in order to render the relationship more symmetrical, especially through a more informed and stronger negotiation of contracts. Some accounts hold that China is willing to deal with countries that have very questionable government standards as has been mentioned (De Grauwe et al., 2012). Chinese economic diplomacy is substantially influenced by the poor institutional quality in African countries (Renard, 2011); the availability of natural resources (Kolstad & Wiig, 2011); more affiliation with countries that are facing dire needs for investment infrastructure and a growing need to diversify the economies on the continent. (Tuomi, 2011; Asongu, 2012; Darley, 2012; Diaw & Lessoua, 2013).

2.2.1 Resource diplomacy (with great emphasis on oil)

A number of studies have concluded that Chinese investments in the African continent are principally driven by natural resources. For instance, Kolstad & Wiig (2011) have assessed FDI in Africa from the Chinese and found it to be heavily determined by the availability of natural resources in the host-country. The analysis has further postulated that the name of the investment game in the continent is now 'weak institutions' because China specifically targets resource-wealthy nations with weak institutions. Weak institutions here refer to countries with dictatorships for the most part. This is coupled with the fact that Africa urgently needs foreign investment (Tuomi, 2011; Darley, 2012) since the continent accounts for approximately only 1 percent of world FDI flows (Asongu, 2012).

Consistent with Taylor (2006), while China is looking for a wide variety of resources, it is particularly interested in expanding its oil markets. Accordingly, oil is the principal resource motivating Chinese economic diplomacy. Other resources include: bauxite, copper, aluminum, uranium, iron ore and manganese. Hence, the analysis of China's resource diplomacy in this section will lay particular emphasis on the oil-oriented dimension of the diplomacy. Taylor (2006) has argued that the oil diplomacy by the Chinese in Africa aims for two principal goals. On the one hand, in the short-term, it seeks to secure supplies of oil for its rapidly growing domestic economy. On the other hand, it also wishes for longer term avenues with the ambition of positioning China as a principal player in the world's international market for oil.

China has used the historic suspicion by African leaders of Western intentions to determine how it engages with the continent. This is the central axis of its oil diplomacy.

2.2.2 Scale of preference in rights

The postulated Chinese policy of non-interference definitely aims to strategically steer clear of Western conditionality policies. We discuss these in two main strands, human versus national rights (Taylor, 2006) and political versus economic rights (Moyo, 2013; Asongu, 2014cd; Lalountas et al., 2011). We begin with the latter.

First and foremost, China has understood that she was in the same economic situation as most African nations in the 1960s. While the chose to their own way, African nations requested the support of Bretton Woods Institutions. Today, China's remarkable success reminds African nations of the need to take decisions affecting their development without Western interference. The Moyo (2013) and the Lalountas et al. (2011) conjectures have led the way. The latter postulates that, at the advent of globalization poor countries are more concerned with 'economic rights' than with 'political rights'. The supposition has been recently confirmed in Africa (Asongu, 2014a).

The former is the Moyo hypothesis which can be summarized in the 'scale of rights preference' as: 'short-run economic rights' and 'long-term political rights'. While the Chinese model can be defined as 'state capitalism, deemphasized democracy and priority in economic rights', the Western model advocates 'liberal democracy, private capitalism and priority in political rights'. According to Moyo, a middle class is needed to demand political rights in a sustainable manner and the Chinese model has shown itself to be the most effective at delivering an increasing middle-class within a very short spell of time. Hence, once a substantial middle class is in place, political rights can sustainably be demanded because the middle class would not easily fall into the temptation of crony democracy as with the poor. This description is broadly consistent with the view on conflicts over land property rights in Africa (Ghana and Kenya Boone, 2009, 2012) and weak democratic pressures for pro-poor agriculture policies (Poulton, 2014). This is essentially because they would have surpassed basic needs for food and shelter which the low-income strata is most concerned about.

The Chinese policy of non-interference is also based on hard choices between 'human rights' and 'national rights'. Consistent with Taylor (2006), there is a deep suspicion by

African leaders in frequent Western criticisms of their governance standards, especially the constant articulation of liberal democracy and human rights that are fundamentally ‘western-centric’ norms. China has been very strategically polite in tapping into this concern. She has asserted in no uncertain terms that human rights, such as the ‘right to subsistence’, and ‘economic rights’ are the fundamental rights developing countries need at the moment. According to the narratives, these rights should take precedence over more “idiosyncratic” issues of individual or personal rights, advocated by the West.

An extension of this narrative of non-interference insists that ‘human rights’ should not take precedence over ‘national sovereignty’. This implies that sovereign nations do not have the right to criticize other nations that are sovereign under international law. In this light, the freedom from hegemony and non-meddling in matters of ‘state sovereignty’ have been the main themes governing China’s foreign policy. This is consistent with the ‘Five Principles of Peaceful Coexistence’ that are the bases of China’s foreign relations[8].

2.2.3 Good understanding of the geopolitical outlook

Consistent with Taylor (2006), China’s engagement with Africa is also based on a geopolitical flavor. While Africa is perceived by the Chinese to be rich in natural resources, Beijing’s dealings with Africa are not only restricted to the economic outlook discussed in the sections above. Beijing also views Africa as a future instrumental player in global politics. This is consistent with the account that, with advancing economic prosperity and some positive outlook for political stability, countries on the continent are very likely to have more leverage in decision-making at the international level. As highlighted in the preceding section, the potentially high African stake in future global decision-making bodies is seen by China as a promising trend. This has led to her increasingly asserting that she and the continent share a

[8] The five norms are: non-aggression; peaceful coexistence; equality and mutual benefit; mutual respect for the internal affairs of each other and non-interference in each other’s internal matters.

common interest and similar or identical views on predominant international matters. Accordingly, it has become very common for policy speeches from China to emphasize how Sino-African relations are linked by similar experiences, such as shared levels of economic development and historic views on Western oppression.

The ambition of establishing novel rational and just international economic and political orders has promoted the Chinese to feature prominently in discussions aimed at safeguarding the legitimacy and rights of developing nations. China has also clearly articulated that its 'Five Principles of Peaceful Coexistence' are in harmony with the Charters of the African Union, New Partnership for Africa's Development (NEPAD) and United Nations. This, in the view of Taylor (2006), has a geopolitical flavor because Beijing is seeking to court African countries within an extended framework of world politics.

2.2.4 No high benchmarks: poor governance and elite diplomacy

The fact that China does not set high benchmarks in its economic diplomacy with Africa has led to poor governance and elite diplomacy. This issue of poor governance has been substantially documented in recent Sino-African literature. Kolstad & Wiig (2011), Fantu & Cyril (2010), De Grauwe et al. (2012) and Renard (2011) have consistently argued that China is increasingly willing to set the low benchmarks that are characteristics of poor governance. Hence, the 'Chinese just come-into Africa and do it'. They don't focus much on environmental impact investigations, governance standards and labor rights. This had led to some strands of the myths surrounding Sino-African relations postulating that the Chinese are succeeding because they are increasingly willing to overlook the absence of transparency, especially elite corruption (Asongu & Aminkeng, 2013). In essence, the narratives also argue that there are no 'rogue states' in Africa. This substantially steers clear of the Western diplomatic approach which has identified many 'rogue states' as 'arcs of extremism' or 'axes of evil' (Taylor, 2006). On the contrary, much discussion insists that Beijing has a very different approach on such issues.

Whereas the Sino-African relationship is fundamentally historic, its evolution based on the 'non-interference' principle with an economic impulse is today widely criticized in policy-making and academic circles. While some accounts see 'state sovereignty' as being used by China in the consolidation of its diplomatic ties, some narratives have also debunked this myth by logically arguing that China is playing by the same rules of competitive market norms as were set by the West (Asongu & Aminkeng, 2013). However, the scope of this analysis is not to take sides in the debate, but to engage what lessons from the discussed Chinese economic diplomacy could be drawn for Africa, China and the West.

3. Lessons for Africa, the West and China

China's economic diplomacy has many lessons with the engaging parties and/or third parties. Specifically, the lessons to be drawn for African nations are fundamentally different from those for the West. Accordingly, while African countries need to critically engage issues surrounding the asymmetric economic relationship that is growing by the day (Asongu & Aminkeng, 2013), the West on its part is increasingly losing steam in relation to its influence on African affairs on the one hand and proliferating the Washington Consensus on the other hand. It is important to note that, Western foreign policies are heterogeneous. For example, consistent with Asongu (2014e, p. 472-473), Western donors have been pursuing multiple objectives which have changed over time. The literature maintains that, while Japanese aid has been motivated by economic gains, more global welfare gains govern Nordic aid. French aid is essentially based on politico-economic goals while assistances from the United States and the UK are motivated for the most part by the need to improve democracy and human rights.

3.1 Lessons for Africa

Many studies on the Sino-African nexus are consistent with the appealing dimensions of the relationship, among others: China engaging in sectors abandoned by the West during the global financial meltdown (Kamwanga & Koyi, 2009), assistance to development and, investments in crumbling infrastructure like the building of government offices, dams, stadiums and hospitals (Taylor, 2006; Asongu & Aminkeng, 2013). However, these short-term benefits could be overshadowed by long-run serious setbacks which Africa must start taking bold steps to mitigate, amongst others: dangers of resource-oriented growth; issues of democracy, governance & human rights and; hampering of efforts by multinational organizations to pursue common development policies.

3.1.1 Dangers of resource-oriented growth

China's burgeoning economy and its corresponding demand for African oil have substantially contributed to stimulating economic growth in oil-rich African countries. Two issues abound here. They are: (i) the distribution of wealth among the growing African population and (ii) avoiding the trap of the Dutch disease.

First, on the distribution of wealth, despite some recent figures showing that inequality has declined in Africa relative to other regions of the world over the past decades (Fosu, 2014), there is still great concern about equitable distribution of wealth in most oil-rich African countries (Asongu, 2013ab). However, recent evidence on surges in capital flight from oil rich nations in Africa are revealing that the income accruing from oil-exports is not being evenly distributed (Boyce & Ndikumana, 2008, 2011, 2012ab; Asongu, 2014f). Hence, while the Chinese's offer of low-cost solutions to African development is very welcome, its non-interference with how funds generated from her activities on the continent are managed could substantially backfire if the fruits of her activities are not evenly distributed among the population. Hence, the unaccounted enrichment of the elite could have adverse consequences to both Chinese and domestic economic interests.

Second, the Dutch disease that leads to low competiveness of domestic industries due in the aftermath of oil discovery could also substantially have adverse consequences on the domestic economy in the long-term. Such unappealing effects include among others: negative oil price shocks and decline in production. Accordingly, the non-renewable nature of natural resources definitely means issues of production decline would occur in the long-term. Hence, it is essential for China to join other mainstream voices in warning African nations on the dangers of: resource curses, over reliance on a particular export commodity and, dependence of economies on the primary sector. Hence, diversifying oil-rich economies with wealth accruing from Chinese-related activities would go a long way to benefiting both China and domestic economies. Another important element worth noting about the Dutch disease is the overvaluation of currencies which immediately has a negative effect on the competitiveness of traditional non-oil domestic industries.

3.1.2 Issues of democracy, governance and human rights

China's non-interference on issues of democracy, governance and human rights in host African countries is very alarming. While issues of institutions like political rights may not be so significant when most of the population is in the low-income category, as a middle class evolves and begins to demand political rights and more credible institutions, it is relevant for Chinese policy to adapt to these changes by shifting towards supporting genuine demands by the local population, especially requests that are directly related to Chinese economic operations. These include, issues of labour rights for local workers, environmental concerns resulting from the activities of Chinese companies and the supply of weapons.

The issue of weapons, particularly for governments with questionable democratic standards is quite dangerous to Chinese and domestic interests (Jones, 2012). Essentially, it is abundantly clear that the effects of political instability are unappealing to everybody and/or economic activity in a given country. Hence, it is important for the Beijing model to critically integrate the reality that, political instability and corruption are likely to hamper sustainable Sino-African engagements. Above all, it could keep the African continent at the bottom of global hierarchy because it would potentially be plagued by dictatorial regimes and abusers of human rights.

3.1.3 The Undermining efforts of African and International organisations

As argued by Taylor (2006), Chinese diplomacy on non-interference could also affect efforts by international organisations to administer global consensuses. For instance, the NEPAD is a kind of consensus among several African nations on how they wish the continent to advance. Values of democracy, good governance, economic development and human rights are clearly enshrined in its charter. However, some Chinese non-interference issues hamper efforts by bodies like the African Union to enforce the lofty practices and policies of the NEPAD. Accordingly, if China's foreign non-interference policy gives leverage to less democratic African governments, this could also indirectly promote corruption and bad governance which are not values of the NEPAD.

The above point should be adjusted for the fact that foreign policy from Western nations has been implemented with some degree of hypocrisy. For instance, the USA's dealings with Saudi Arabia that are oil-oriented for the most part do not attach democratic values to the economic relationship (Fitzgerald, 2013). Another case in point is France, whose foreign policy in Africa has not been accompanied by her beloved values of 'liberty, equality and fraternity' (Charbonneau, 2008). More recent literature suggests that the French 19th century foreign policy was failing in 2014. According to Wagner & Cafiero (2014), the foreign policy of France in Africa which has been motivated by her demand for African minerals and oil has been characterised by French military presence throughout the continent to protect her entrenched business interests and nationals who are there in the hundreds of thousands.

Above all, while ‘China has an Africa policy’, but for a few countries like Botswana and South Africa, ‘Africa does not have a China policy’ and such is recommended by Asongu & Aminkeng (2013). It is therefore important for African governments come together and develop mutually beneficial policies based on rational economic arguments in order to balance this asymmetric relationship.

3.2 Lessons for the West

Today, the West faces a great historic challenge in the Washington Consensus as a dominant model of development because the Beijing model has grown to become an ineluctable process which can only be neglected at the price of standing on the wrong side of economic history. Many African nations are increasingly embracing the Beijing model because the dominant Western approach has failed to deliver on a number of fronts in the past. This is increasingly evident because China’s economic diplomacy has been politely and strategically devised to achieve just that. In order to remain relevant in the 21st century and beyond, the Washington Consensus can find some solace in the Moyo (2013) hypothesis that while the Beijing model is optimal in the short-run; the Washington Consensus remains the optimal long-term development model because it is a more inclusive.

The short-term relevance of the China model has been discussed above on two main fronts. *First*, there is currently a wealth of literature suggesting that poor countries are more concerned with economic rights (or the right to food) than with political rights (or the right to vote) at the advent to globalization (Lalountas et al., 2011; Asongu, 2014c). Moyo (2013) has joined this narrative by carefully emphasizing the difference between the Washington Consensus and the Beijing model as issues in a priority of rights, ‘economic rights’ priorities for the latter and ‘political rights’ priorities for the former. *Second*, African colonial history has resulted in its leadership becoming increasingly averse to Western interference (Taylor, 2006). This is a fact that has been strategically exploited by China in its economic diplomacy.

In the light of Moyo (2013), the West should be consoled that the Beijing model is not sustainable in the presence of a middle class demanding political rights. This is essentially because the middle-class is hypothetically no longer concerned with basic economic rights to food and shelter which are the priorities of the Beijing model. Hence, both the Beijing model and the Washington Consensus can cohabit in the short-term and long-run respectively.

3.3 Lessons for China

Consistent with Taylor (2006), China's economic diplomacy may come back to haunt her in the long-run. In essence, turning a blind eye on less democratic regimes in the continent could substantially harm China's economic relations, especially if corruption and political instability are rampant. Ultimately, if 'regime change' in poor and weak States may push new political leadership to expropriate material and resources owned by Chinese corporations, it is an indirect consequence of a foreign policy based on non-interference. Moreover, changes in leadership could oblige Chinese firms to comply with certain domestic labour rights and environmental standards which could substantially affect the interest of Chinese corporations.

The conflict in the Nigerian Delta region has shown how the anger of the local population could substantially affect the oil-dimension of Chinese diplomacy if a corrupt leadership is indirectly supported (Obi, 2008). This scenario is most feasible if at the end of the day, resources from economic prosperity are not evenly distributed. A contradictory question that may also arise from the Nigerian Delta situation is 'the striking of deals with local militias by Western governments'. These appeasement processes substantially violate the principle of state-sovereignty which China promotes. Now critics of China's foreign policy might as well be willing to find out if, when confronted with such a situation like in the

Niger Delta, Chinese corporations would simply move away because their government is unprepared to violate its fundamental principles of 'State sovereignty and non-interference'. It is important to note however that the above description is broadly consistent with bombings by the Movement for the Emancipation of the Niger Delta (MEND), as a sign of warning to Chinese companies entering the Niger Delta for oil exploration. The MEND has used a car bomb explosion to warn Chinese oil corporations not to venture into the Delta. Moreover, it has threatened these foreign Chinese companies that they will be attacked and treated as thieves if they do (Obi, 2008).

If China does not move towards assessing the myths surrounding its relations with Africa, there is a likelihood of backfire in the future. These myths have been interestingly documented by Asongu and Aminkeng (2013, p. 263). They include, "*China targets aid to African states with abundant natural resources and bad governments*, *the Chinese do not hire Africans to work on their projects, Chinese workers and managers live in extremely simple conditions as compared to Western advisors*, *China outbids other companies by flouting social and environmental standards* and, *there are low linkage levels between Chinese and local businesses"*. Though it is the responsibility of African governments to address these legends, it is also in the interest of China to help in addressing the myths in a bid to avoid potentially negative consequences for its corporations.

China's engagement with non- and/or quasi-states (especially those under international sanctions) by virtue of its non-interference policy may represent judicial concerns. Accordingly, these states may lack the administrative and legal establishments essential for sustainable business activities. Hence, in environments where the emphasis on state-sovereignty is likely to be short-lived, the State can decay at any point in time. Hence, securing natural resources may not be easy for China in the long-term. Moreover, if elites in those states have the reputation of ambitiously sacrificing development objectives to remain in power at all costs, the external beneficiary who obviously supports the milieu is not likely to succeed in the long-term due to instability.

4. An illustrative case study: Angola

In this section, we present a case study in order to put some illustrative perspective to the arguments engaged in the preceding sections. In essence, the strands of literature discussed so far are articulated with the case of Angola in four main streams, notably: (a) failure of Western policies, (b) China's foreign policy aligned with the corresponding failure of the West, (c) management policies adopted by the domestic government and (d) updated lessons for Africa, China and the West.

For the first strand, in the aftermath of the Angolan civil law, the country was seriously indebted to creditors in more advanced countries like the Paris Club, Russia, and the IMF. According to the literature, some of these creditors clamored for payment, even attempting to seize Angolan government assets abroad. The IMF and the West imposed conditions of oil revenue transparency and structural adjustment policies as bases for foreign loans. The Angolan government was reluctant to, amongst other things , completely liberalize its industries given that it had just come from a civil war and her domestic industries were still very weak in the face international competition (Asongu & Aminkeng, 2013). With this refusal, the IMF and the West left the country.

In the second stream, China took advantage of the failure by the West, stepped-in and flushed Angola with billions of dollars in unconditional loans and aid. China's engagement without strings offered Angola an opportunity to turn her back to the West after what she judged as a consistent chain of humiliations. It should be noted that, Angola had committed to a host of reforms, among which were the April 2000 program on forty-four benchmarks and conditions including trade liberalization. Moreover, during the period 1995-2004, the country had negotiated about four programs with the IMF, but could not stick to them because of war-related issues.

In the third element, to the surprise of many, Angola with investments from China has used her burgeoning revenues to pay off her debts to the Paris Club and transparency in the country has improved. Accordingly, in the absence of conditionalities from the IMF and Western donors, the Ministry of Finance of the Angolan government now publishes a complete account of oil expenditures and revenues on its website. Moreover, in addition to the Oil Reserve Fund set-up in 2004, the Angolan government in 2012 followed the example of Norway in resource management by setting-up a 4.95 billion USD Sovereign Wealth Fund that in June 2014 received the last part of its endowment (Jablonski, 2015).

In the fourth component, there are obvious lessons for Africa, the West and China. *First*, a lesson for other African countries is that while there is still much corruption in Angola, schools, clinics and roads are being built. Most of Chinese loans have been in terms of resource-backed infrastructure. Hence, it is up to the Angolan government to tailor the relationship such that there are: (i) skill spillovers and transfer of know-how, (ii) employment of local staff in the projects and (iii) protection of the local domestic industries against very cheap imports from China. *Second,* Western countries also have a lot to learn from this scenario. Prior to their imposition of conditionalities, Western banks had offered loans to the Angolan government without such conditions of transparency and liberalization. The 2008 financial crisis and a new stream of literature on Post-Washington Consensus development models (Fofack, 2014), show that it is not in the long-term interest of the West to abandon a poor country in time of need on the pretext that she has failed to fully comply with Washington Consensus-friendly conditions. *Third,* China needs to align its Angolan foreign policy with the demands of the people. As the country grows richer and a sustainable middle-class in Angola starts prioritizing political rights, she should have matured her foreign policy to comply with popular political demands and so avoids a Libyan scenario where she might lose everything in event of an unprecedented uprising or revolution.

5. Conclusion

Today, the West faces a considerable historic challenge in the Washington Consensus as a dominant approach for development because the Beijing model has grown to become an ineluctable process, which can only be neglected at the price of standing on the wrong side of economic history. Many African nations are increasingly embracing the Beijing model because the historical Western model or Washington Consensus has failed to deliver on a number of fronts. This is increasingly evident because China's economic diplomacy has been politely and strategically devised to achieve just that.

This paper has put some structure on China's economic diplomatic strategies and discussed lessons for Africa, China and the West. It has contributed to existing literature by critically outlining the reasons for the West to adjust the conception and definition of the Washington Consensus as a complement to the Beijing model. In order to remain relevance in the 21st century and beyond, the Washington Consensus can find some solace in the Moyo's (2013) conjecture that, while the Beijing model is optimal in the short-run, the Washington Consensus remains the optimal long-term development model because it is more inclusive of other development considerations.

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