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CHINA'S ENERGY POLICY IN AFRICA

Summary

China's interest in Sub-Saharan Africa, which can be summarized within the framework of 2 main objectives as the acquisition of fossil resources such as oil and natural gas, which are needed as a result of rapidly increasing production, as well as the marketing and supply of products obtained as a result of production, was first carried out with Angola, which has a very rich position in terms of oil. started as a result of contacts. Within the framework of the agreements made between the Chinese government and the Angolan government, which was selected as the pilot country in the opening towards the region, the long-term transfer of the oil extracted in Angola to China was ensured; In return for this sale, China made dams, power plants, electricity transmission, and distribution lines and various transportation infrastructure investments in the region.

Key words: *Africa, China, energy, resource, policy*

Introduction

The changes experienced in the international system after the Cold War paralleled the technological development. Technological development has caused communication to become easier and widespread and triggered globalization. The impact of globalization has made itself felt especially in the economic field. Economic developments have caused changes in countries' understanding of power.

These changes caused economic power to become dominant and to prevent political and military power. In addition, the high cost of using military power and the requirement of obtaining approval from the national / international public made the use of soft power important. With the effect of the use of soft power, economic factors came to the fore more.

In the economic sense, different centers have been added to the multi-center world structure consisting of the USA, Europe and Japan. China comes first among these centers. The policies pursued with Deng Xiaoping's rule have created an ever-growing economy and this growing economy has made China a global player.

While having a constantly growing economy is seen as important for the development of the country, the continuity of growth is considered as the continuation of the regime. The necessity to continue economic growth makes China increasingly dependent on energy. Obtaining energy smoothly and uninterrupted becomes the main foreign policy objective. China evaluates energy security, economic security and national security in a "holistic way". This holistic assessment is also an indicator of the desire to be a power in the international system. From this point of view, it is seen that energy and security are increasingly becoming the main determinants of foreign policy for China.

Challenges: Finding an effective collaboration formula

Now the Russian-Chinese relations are considered mainly in this aspect. Harvard University professor C. Nay analyzes the prospects for an alliance between the two countries in the context of the agreements they have reached in the field of energy[1]. The figures he brings are huge. The cost of the project, which covers gas trade between Russia and China, is \$ 400 billion. Moscow must supply 68 billion cubic meters of gas to China annually for 30 years. Russia currently sells 40 billion cubic meters of gas a year to Germany. So the deal with China serves a bigger purpose.

Will such a large energy project be able to sincerely ally the two countries? This is the other side of the issue. Cooperation in the field of energy makes it possible. Because there are plans to establish a fairly broad relationship in the middle. Given China's growing demand for energy, there is no doubt about the prospects for cooperation. But other factors should not be forgotten.

Nay cites demographic and military factors as examples in this context. According to them, Russia-China relations may not rise to the level of a sincere strategic partnership. It turns out that some additional factors must be taken into account in energy policy in order to achieve the expected result. It is in this aspect that experts emphasize the importance and, at the same time, the complexity of energy policy.

The seventh China-Africa (FOCAC) summit in Beijing in the first decade of September was remembered as the most attended meeting in its 18-year history. The meeting was attended by leaders of 53 of the 54 African countries, with the exception of Eswatini (formerly Swaziland), the last country on the continent to maintain diplomatic relations with Taiwan. The summit was also attended by UN Secretary-General Antonio Guterres. China took its first and less daring steps in the "invasion" of Africa in the 1970s. At the time, Beijing was at the bottom of the continent's list of trading partners. At that time, the favorites among the continent's investors were the United States, the Soviet Union and European countries.

But much has changed since then. The USSR no longer exists, and Russia, the successor to all its foreign assets, has lost most of its position. Europe, which is embroiled in internal problems, is now paying less attention to Africa. As for the United States, its new administration has decided to suspend humanitarian and other aid to foreign countries. The White House requires everyone to be fair to it in trade, which has weakened Washington's cooperation with African countries. In general, Western investment in Africa has been relatively insignificant since the 2008 crisis[1].

Strategic competition in the East

According to experts, Beijing has ignored this recommendation. Because "China's support for Iran is an important element of the strategic competition between the United States and China in the Middle East[2]".

An interesting aspect of China's Middle East policy is the military. In this regard, Beijing is cooperating more with Israel and Saudi Arabia. Relations with Iraq, Syria and Qatar have also expanded in recent years. It should not be forgotten that Turkey signed an agreement on the purchase of new missiles from China. Although NATO protests, Ankara does not change its mind.

All this reflects the main points of China's Middle East policy. First of all, it should be noted that Beijing's approach to the region in the context of West Asia and North Africa in general. The main goal here is to systematically ensure the country's economic development and geopolitical interests in a wider space. China initially preferred the economic and military spheres. In recent years, it has increased its focus on socio-cultural issues. It is acknowledged that Beijing has succeeded in spreading language and culture.

In general, China's Middle East policy is "restrained," but not "organizing[3,p.53]". In other words, Beijing does not determine the general direction of geopolitical processes in the region. He is still trying to be a "neutral party" in the current situation, without interfering in the internal affairs of local states. However, a new situation is emerging in the region and Beijing is experiencing difficulties in its foreign policy. Experts point out that the differences between the US, Russian and Chinese Middle East policies are in this area[4].

US Secretary of Defense Chuck Hagel said that the essence of Washington's Middle East policy is to "shape the course of events." The United States is trying to determine the overall geopolitical landscape of the region. In doing so, it moves to control the dynamics of change in the situation as a whole.

According to experts, in contrast, Russia's policy in the region is contradictory. For example, Alexander Shumilin, director of the Center for Middle East Conflict Analysis at the US-Canadian Institute of the Russian Academy of Sciences, says that "... Moscow is taking difficult steps, especially on Iran and Syria. "On the other hand, it does not want the country to have nuclear weapons. The situation is the same in relations with Israel. Moscow is abolishing the visa regime with this country and at the same time voting against it at the UN."

Wu Bingbing, a professor at Peking University, says China, unlike the United States and Russia, has no plans to influence any process in the Middle East[3,p.53]. At the same time, Beijing is defending Syria at the UN, developing energy cooperation with Iran and defending Palestine. In parallel, it seeks to expand ties with the major powers in the region in all areas. It turns out that despite its so-called concealment, China is increasingly trying to defend its geopolitical interests in the Middle East. There is a specific reason for this.

The point is that the United States has been working to "geopolitically blockade" China in recent years. The Middle East has a special place in this process. It is no coincidence that Washington is putting pressure on each of the countries in the region that cooperate with China. This can be seen when looking at the geography of conflicts in the region. In this context, it is difficult to predict how "quiet, gentle and restrained" China's foreign policy will be in the Middle East.

Trade imbalances

Against this background, a significant increase in Chinese investment in the "Black Continent" is expected. Beijing has been Africa's largest economic partner since 2008. In the last 40 years, the trade turnover between the parties has increased at least 200 times - from \$ 765 million in 1978 to \$ 170 billion in 2017. In the first half of 2018, bilateral trade turnover increased by 16% compared to the same period last year and amounted to \$ 98.8 billion.

During all this time, China has repeatedly "touched" the strategy of cooperation with Africa. According to the "Black Continent", the use of highly processed goods as a place of sale and a source of raw materials has been stopped, and China has decided that the development of industry and agriculture is in its interests.

The point is that the increase in trade turnover between African countries and China does not indicate a balanced expansion. Today, China is the largest exporter to Africa, but imports are low. Raw materials and unprocessed materials are transported in one direction, and industrial goods and cheap processed products are transported in the other direction. For example, for Uganda, the import-export ratio with China is 22: 1. Even Nigeria, the continent's largest oil producer, imports \$ 11 from China for every \$ 1 it exports.

Easy money

Until recently, China was mainly a creditor of Africa. The countries of the continent gladly borrowed from him. Because for this we need to fight corruption, protect the environment, respect human rights, ensure freedom of speech and so on. There was no need for such promises. Moreover, in most cases, no collateral is required for the loan, which was simply guaranteed by the state. But "easy" money goes so easily - it is stolen, uncontrolled and often spent on meaningless projects. As time passed, the debt was accumulated. Finally, the debtors realize that it will not be easy to repay it[5, p.137].

In a number of countries, including the Republic of Congo, Zambia and Djibouti, China's credit has even caused a debt crisis. Because, for example, in Djibouti, this money makes up 75% of GDP. Moreover, its share in public debt is projected to rise from 82% to 91% in the coming years. The situation in Kenya is no better. Kenya, which has \$ 50 billion in foreign debt, must return 72% of that amount to Beijing. Almost all of Angola's oil is used to pay off its \$ 25 billion debt to China.

China is well aware of this and from time to time restructures its debt. At the last summit, Chinese President Xi Jinping said that by the end of 2018, less developed countries, as well as landlocked countries and small island nations will be exempt from interest-free government bonds.

Four suggestions

Balancing trade with China will also help Beijing's efforts to increase investment in recent years and boost production in Africa. To this end, Beijing is considering buying local industries in Africa or creating new ones. At the same time, it intends to export its products to both China and other markets.

About 3,100 Chinese companies have already invested in Africa in transport, energy, telecommunications, mining and processing, agriculture, water supply, health and education. According to McKinsey, in 2017, the number of Chinese companies operating in Africa exceeded 10,000.

For example, the Chinese company Hua Jian built a shoe factory in Ethiopia, and today its products are mainly exported to the United States. At the same time, China is working in the field of soybean exports in this country. In doing so, Beijing is trying to avoid paying for soybeans at the expense of the United States[7, p.43-44].

At the same time, some African leaders believe that China's actions will not be enough to address the imbalance. They demanded a solution to the problem at a summit in Beijing. In response to this request, Xi Jinping put forward 4 proposals.

First, to promote the "promotion" of African products within China. For example, the introduction of e-commerce, the organization of regular specialized trade fairs and other marketing activities. As a first step, African countries have been promised free participation in the China International Import Expo, which opens in Shanghai in November. Second, the Chinese government is ready to develop a trade support program for each of the African countries. In particular, we are talking about programs that will regulate customs procedures. Third, it is proposed to create a new fund of \$ 5 billion to finance imports from Africa. Fourth, Beijing has agreed to begin talks on transition to free trade with middle-income countries. At present, 97% of the products of the less developed countries of the continent are exported to the Chinese market duty-free[9,p.91-93].

Security

Probably, the dependence on Africa's natural resources, as well as the active growth of investment in the region, including in the framework of the international project "One Belt - One Road" (which involves 37 countries), are forcing Beijing to take steps to secure assets. There are several real tools for this: its own

army, the armed forces of countries with Chinese economic interests, as well as UN peacekeepers. Beijing uses each of them.

In 2017, China established its first overseas military base in Djibouti. Following the base, which can accommodate up to 10,000 troops, Beijing is expected to take the same step in Sudan, Kenya and several other African countries. In June-July 2018, Beijing hosted a two-week China-Africa defense and security forum. The forum was attended by representatives of 50 African countries. This is seen as a great opportunity to coordinate efforts to maintain order on the continent. At the meeting, China also announced its readiness to provide \$ 100 million in military assistance to the African Council[7,p.45].

China's first armed force as a UN peacekeeping contingent appeared in Liberia in 2003. Later, Beijing became the most active participant in peacekeeping missions in Africa among the five permanent members of the UN Security Council. As a participant in the international anti-piracy program, China has been sending Navy ships to the East African coast since 2008. In general, since 2010, China's peacekeeping contingent has become the largest UN peacekeeping contingent. Beijing pays more than 10 percent of the cost of UN peacekeeping missions. He also said he was ready to spend \$ 10 billion over 10 years[8, p. 80-81].

"I brought peace to Africa"

The Summit and the military meeting are not the only major Sino-African events this year. Two more forums were held in the summer to discuss issues such as education, health and the fight against poverty in Africa. The parties also organized a forum for cooperation with the media. An investment congress is scheduled for November. Thus, cheap billions in credit investments, funding for social and educational programs, and intensive work with all segments of the population are helping China gradually seize real power on the continent[6,p.1-2].

In 2015, Beijing failed to achieve peace between war-torn Sudan and South Sudan. The biggest thing he did at the time was to get assurances from both sides that China's oil infrastructure would not be attacked. Instead, China has vetoed UN Security Council sanctions against officials in both countries.

However, in July this year, China ended the 22-year war between Eritrea and Ethiopia and brought the leaders of the two sides to the negotiating table. China needs peace in this region. Because the Ethiopia-Eritrea-Djibouti triangle must become an important transport corridor in the growing trade turnover with the continent. China has achieved this by taking advantage of the opportunity to seriously influence these countries. Today, Beijing is trying by all means to prove that it came to Africa only in good faith. Maybe that's really the case. However, his desire for a monopoly on the continent is a matter of concern.

Conclusion

With its relatively homogeneous population, constantly developing economy and foreign policy that this economic development has made increasingly effective, whether China will continue to use these features as an indicator of a great challenge is one of the most debated issues today. China is aware that if it loses stability in economic terms, its development in all areas will be interrupted.

The biggest obstacle to China's economic growth is the ever-increasing energy need and therefore energy imports that increase more and more each year. Using its economic growth as a foreign policy argument against the regions / countries from which it imports energy, China does not hesitate to compete with other powers on these regions / countries. This foreign policy understanding has made China one of the new but most important players in the energy wars.

With this understanding, Chinese foreign policy has made it a principle to veto UN resolutions that are tried to be imposed under US pressure and contain embargo / sanctions. The main reason for this is its desire not to make an enemy to itself within the framework of its "peaceful development" policy. If it receives energy from the country that is against the embargo / sanction, it definitely rejects the embargo / sanction, even if it accepts it, it does not fully fulfill the conditions. This political attitude accelerates the approach of these countries to China.

China tries to make energy source countries dependent on cheap Chinese goods through export and by offering import advantages to these countries by opening their own domestic market. The policy he pursues in this context aims to obtain energy by encouraging export and maintain the economic and political stability of the country.

The stability provided by the trouble-free supply of energy will mean success in building prosperity and creating a modern army. The welfare of the people and the modern army will be able to create a more confident foreign and domestic policy. This policy will reduce the influence of the international public opinion against the ethnic problems that it may experience within itself, ensure the continuation of Taiwan

policy and will mean regional superiority to other powers of the region, Japan, India and South Korea. The opposite would mean breaking the most important part of the "grand strategy". The Taiwan policy, which has been maintained patiently since 1949, will mean a loss of power and may cause the breakdown of the regional influence that is becoming more and more visible.

In addition to these, the prosperity level, which has been increasing continuously since the early 1990s, may draw the people under constant pressure into the social explosion and the continuity of the regime will be in trouble. In order to counter this situation, China may become more aggressive in order to protect its national interests at sea or on land. All these predictions show that experiencing difficulties in obtaining energy will draw China into more competition, and its strengthened structure will lead China to an active foreign policy in which military elements can be more effective.

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