



# The Africa-China Trade Relations: The Role of African Governments on Protecting Unfair Trade Practices

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## Abstract

*Diplomacy has evolved ever since the ancient times and it has taken longer period of time to reach where it is today with the steady human political, economic and social progress at different times. Diplomacy reflects the national character of a state based on the state's distinct diplomatic characteristics and setting according to the political system and current position it has at the world politics. Because diplomacy is one of the major and main channels of conducting international relations among states and other important global actors through representation by assigning a diplomat to the host country and using other means too. It is based on these major concepts that this study analyzes the extent of the post-1990 North Korea's diplomacy and its reflection on its national character. This study is mainly based on qualitative data and the researcher's observation to point out the national character of North Korea by focusing on the key policies of the state which affects both its domestic and external aspects of relations and the major policy setting on its foreign relation which reflects its national character in the global politics and international relations of states and other major actors.*

**Keywords:** Diplomacy, National character, North Korea, Juche, Songun and the post-1990 North Korea's Diplomacy.

## Introduction

The Africa-China relation is highly controversial issue about its exact genesis, but two important periods and events mark the bi-lateral relation beginnings. The first one is a distant political history when in the early 15<sup>th</sup> century Admiral Zheng He of the Ming Dynasty established the first recorded contact<sup>1</sup>. The second one is a relatively recent political event that has taken more than five centuries to emerge and has begun with the establishment of the Non-Aligned Movement at the April 1955 Bandung Conference in Indonesia<sup>2</sup> and since then the bi-lateral relation continued in the modern time. It is based on the later period and more specifically since the post-1990's that this study explores and analyses the Africa – China trade relation. Africa is the world's second largest and populous continent covering an area about 30,244,049 square km, and having about 1.1 billion people currently. As of 2012, there are 54 independent countries on the mainland Africa and surrounding islands which are mainly divided in to two world regions: North Africa and the Sub-Saharan Africa<sup>3</sup>. The study explores and analyses the Africa – China trade relation by ignoring the geographic division of the continent but by focusing on the paradoxical nature and the stark contrast of Africa resource richness and the prevailing economic reality and the life of its people. Even if continent is economically the poorest in the world but it is naturally resource rich in which.

Africa has a treasure chest of raw materials, which will give it a large share of a global commodity production far in the future. South Africa, alone has 88 % of global Platinum reserves, 72 % of Chromium, 80% of Manganese, 30 % of Titanium, 40 % of

Gold, 44 % of Vanadium, and 19 % of Zircon. It has also 10 % of the world Coal, 10 % of its Uranium, 8 % of its Nickel, and 17 % of its Fluorspar. Guinea has a third of the world's Bauxite. Botswana has 25 % of the world's Diamonds. Zimbabwe has 12 % of the world's Chromium as well as large Platinum deposit. Niger is the world's third largest supplier of Uranium. Africa is also as an important actor in global oil market, producing 3.4 million barrels per day<sup>2</sup>.

According the U.S. Department of State (2013), the Modern China which is officially known as "The People's Republic of China" [PRC] was established on October 1, 1949, with Beijing as its capital city, having well over 1.3 billion citizens nowadays, it is the world's most populous country and the fourth-largest in terms of territory. Since its establishment, China is under the control of the Chinese Communist Party with highly centralized political power, but it has started undergoing profound economic and social changes after Deng Xiaoping took over in 1978<sup>4</sup>. These profound economic and social changes accelerated the Chinese economic growth and contributed for the emergence of drastic changes and major shift on the global economic set-up in which China has become global production platform and with 2008 GDP of 7.8 trillion dollars, it is the second largest economy in the world<sup>5</sup>. Contemporarily, since the turn of the century the relation between Africa and China gathered its momentum mainly because of the China's rapid economic growth in which in the last 30 years, the rate of Chinese economic growth has been averaging 8% growth in Gross Domestic Product (GDP) per annum. The economy has grown more than 10 times during this period<sup>4</sup>. This rapid Chinese economic growth has led for the re-

arrangement of the economic relation that has existed between Africa, the West and China, and paved the way for China to focus on Africa for the bi-lateral economic relation on the following two major factors: the need of raw materials and new market<sup>6</sup>. Specifically, the urgent and huge demand of raw materials for ever expanding Chinese manufacturing and industrial sector contributed mainly for the transformation of the bi-lateral trade relation since the mid-1990's arising from china's political- economic and strategic interest in which its:

Economic growth started catching up with its own resources. The nation quickly realized that if it did not expand its access to materials, economic growth as well as political stability could be at risk. The so-called commodity crunch was in the horizon and it heralded a new era in Africa – China relations<sup>2</sup>

With regard to Africa which is highly endowed with natural resources and the second largest population in the world, China's economic growth is "a blessing in disguise", because of the following major factors: i. China's economic growth materialized Africa's needs of getting new partnership for development beyond the Western economies, and ii. This new partnership paved the way to kick-start Africa's troubled economies through the Chinese investment<sup>1</sup>. iii. It has increased Africa's strategic significance on the international trade and economy on competing China against the West in accessing its natural resources and the huge market, in which China strategically partnered itself with Africa as a source of natural resources and as a consumer of Chinese finished goods<sup>7</sup>.

These major factors created an opportunity for Africa of having new partner of development and provided it with an alternative to the West which has dominated the global economy for a long period of time. Since the topic of the research is: The Africa – China trade relation: the role of African governments on protecting unfair trade practices, it analyses: the key features of the trade relation, explains unfair trade practices, and points out the key roles the African governments should have to play to protect and avoid unfair trade practices which harms the continental economy of Africa.

### **The Africa – China Trade Relation**

The Africa – China trade relation is a part and parcel of an international trade which refers to exchange of goods and services between one country and another (bilateral trade) or between one country and the rest of the world (multilateral trade)<sup>8</sup>. It is a commercial activity between one unified and sovereign state (China) and a continent (Africa) where 54 independent states with different natural endowment and almost similar economic activities are engaging in international trade. What makes Africa – China trade relation unique on the continental - country level is: it is both multi- lateral and bi-lateral trade relation based on China's import and export strategy. For example: China's imports from Africa are concentrated in few resource rich countries especially oil and

mineral exporters like Sudan, Angola, Congo, Zambia and South Africa, [and] by comparison, China's exports of manufactured products reach virtually all African countries<sup>5</sup>. The Africa – China trade relation is the bi-product of the Chinese rapid economic growth and its strategic interest in securing long-term resources and energy supplies for its rising demand at the global level from other major competitors such as the United States, the European Union and Japan<sup>9</sup>. This Chinese economic strategy has brought successive and uninterrupted growth on the bi-lateral trade relation with Africa since the beginning of the new millennium.

The major justification on the Africa – China trade relation successive growth since the turn of the century is that, China has increased its exports to Africa nine fold since 2000<sup>6</sup>, and in 2009 China has surpassed the United States as Africa's largest trading partner<sup>9</sup>, leaving behind the ex- colonial powers which were well-established partners like Britain and France<sup>1</sup>. The Africa – China trade relation is characterized by an import and export of manufactured goods, primary commodities and industrial outputs from both sides. Africa's export items in main include: oil, iron ore, metals and other commodities, as well as a small amount of food and agricultural products. And China exports a range of machinery, transportation and communication equipment plus electronics<sup>1</sup>. This bi-lateral trade has grown very rapidly and soared to US \$ 100 billion in 2010 from just US \$ 15 billion in 2003<sup>7</sup>. Then, what are the key features of this bi-lateral trade relation between Africa and China? The next part of this study analyses the key features of Africa – China trade relation and explains its pattern and trends.

### **The Key Features of the Africa – China trade relation**

Africa is the least economically developed continent in the world where its global trade share is 3 %<sup>10</sup>, this is mainly caused by the low level of technological advancement and investment in capital<sup>7</sup>, Africa has compared to other continents globally. This has limited the diversification to manufacturing and contributed on the dependency of the African economy on foreign aid, the production and export of primary products and the commodity prices in which the Africa – China trade relation mainly engaged on. It has the following key features: i. 85 % of China's imports from Africa are raw materials, out of this 70 % is crude oil and 15 % minerals, and since the year 2000, China's imports from Africa have increased eleven fold, ii. 70 % of Africa's exports to China come from four oil and mineral exporting nations: Angola, South Africa, Sudan and the Republic of Congo, and iii. Some 60 % of Chinese exports which includes machinery, automobiles, and electronic products to Africa go to six countries: South Africa, Egypt, Nigeria, Algeria, Morocco, and Benin<sup>6</sup>, iv. African export to China increased faster than to the rest of the world, and China now is Africa's 3<sup>rd</sup> largest export market after the U.S., and the EU. V. The structure of Africa's exports to China is similar to that of its exports to that of U.S., and EU, and vi. China's trade relation

varies among the African countries in terms of import and export<sup>5</sup>, vii. Between 1995 and 2008 China's exports to Africa rose by 23% per year, faster than exports to Europe, to the United States or ASEAN countries<sup>11</sup>, and finally viii. The Africa – China trade relation is also the driving force which facilitated Africa's economic growth in which The International Monetary Fund (IMF) projected Africa's economic growth to be 5.4 and 5.3 % for 2013 respectively, and placed Africa among the fastest growing region in the world<sup>7</sup>. ix. In addition to the above mentioned key economic features, the Africa – China trade relation has key elements that distinguish it from other global trading and economic activities which can be seen from different political perspective and angle such as. x. It is a promising South – South economic relation [that can] address asymmetries and obstacles to its continuous expansion through reforms<sup>1</sup>, i.e., the economic relation is between partners who are outside the developed Western and the Northern group of states. xi. Africa and China are also the victims of colonization both economically and politically in which this common legacy they share is the basis for conducting the mutual trade relation that is aimed at the dire desire of economic development and political independence, xii. China's trade relation with Africa primarily focuses on its strategic interests and it is free from the Chinese intervention in domestic politics that is considered as an infringement of sovereignty<sup>11</sup>. xiii. The bi-lateral trade relation is also the basis of bi-lateral political relation at the world stage which has enabled China to secure its strategic and geo-political interest through its African allies who will vote for it in the United Nations [UN]<sup>9</sup>, including preventing Taiwan from getting enough UN attention in its bid to gain a seat<sup>1</sup>, and to succeed its "One China" policy through terminating Taiwan's diplomatic presence in Africa<sup>6</sup>, and xiv. At the same time African states have been able to secure China's veto power in the Security Council of the United Nations on most important issues which adversely affects their national interest.

These are some of the major elements of Africa – China trade relation which have been seen from both the economic and the political angle of the contemporary global context of international relations having prospects and challenges for African economic development. The challenges Africa faces from its trade with China arise from the difficulties it faces from the two sources of gains from trade, these are: i. Gains from specialization are due to increases in labor productivity in both the partners once trade is introduced, and ii. Gains from exchange arise due to fall in import prices of each country due to more competition in trade<sup>8</sup>.

With regard to the challenge on the gains from specialization, it is very vivid that due to its colonial legacy, there is the low level of industrialization in Africa and as a result it is one of the most economically disadvantaged continents in the world, especially in the many poor areas with low skilled workers where few other prospects exist<sup>7</sup>. This makes Africa vulnerable on its trade with China in which the West is criticizing China as 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>10</sup>. Africa – China trade relation is favoring China which is transiting to a knowledge economy<sup>5</sup> through accessing the essential natural resources while it is challenging Africa's economic development in multiple ways.

Since the topic of the research is: The Africa – China trade relation: the role of African governments on protecting unfair trade practices, the study is concerned with the gains from exchange that arises due to fall in import prices as a result of producers of import-substitute manufactured goods gain at the expense of primary producers<sup>8</sup> which exposed the African market for unfair competition of cheaply imported Chinese products. This is the main pattern of Africa – China trade relation that has made the existing trade relation asymmetrical in which there is undoubtedly an unbalanced trade pattern as China's value of trade exports to Africa is far greater than its value of trade imports<sup>7</sup>. Such asymmetric or unbalanced economic relation is the result of multiple factors including unfair trade practices on international trade.

## **Unfair Trade Practices**

Unfair Trade Practices are illegal, unjust and unlawful commercial practices that are used in international trade by the states to maximize their benefits by ignoring the other states economic rights through minimizing their gains by different means. Unfair Trade Practices are said to be exercised by the states when the states are unwilling to open their own market and to permit market forces to determine the international distribution of gains from trade<sup>12</sup>. Unfair trade practices are in contrary with the free trade system and include dumping and subsidies<sup>10</sup>, which undermine the growth and expansion of manufacturing and industrialization in the underdeveloped continent like Africa by exerting severe pressure on the domestic producers from foreign competition thereby seriously affecting the free flow of international trade. In order to point out the key roles which must be played by the African governments to protect their economic interests in the Africa - China trade relation, it is very essential to describe the two major unfair trade practices in the international commerce: dumping and subsidies.

## **Dumping**

Dumping is one of the major manifestations of unfair trade practices which seriously are hindering the effort of the least developed states to industrialize and manufacture contemporarily. Dumping is a form of trade barrier in the international trade and global economy since the beginning of the twentieth century<sup>10</sup>, which is being defined very briefly as selling goods abroad at a lower price than in the home market<sup>13</sup> or simply dumping is lowering the export price from that of the normal value of the product. In the broader sense, dumping is divided in to three main categories by the economists. These

are: i. Persistent dumping or international price discrimination is the continuous tendency of a domestic monopolist to maximize total profits by selling the commodity at a higher price in the domestic market than internationally. ii. Predatory dumping is the temporary sale of commodity at below cost or at a lower price abroad in order to drive foreign producers out of business, after which prices are raised to take advantage of the newly acquired monopoly power abroad. iii. Sporadic dumping is the occasional sale of a commodity at below cost or at a lower price abroad than domestically in order to unload an unforeseen and temporary surplus of the commodity without having to reduce domestic prices<sup>14</sup>.

Dumping is defined in to its variants as persistent (international price discrimination), predatory and sporadic, then what economic motives are there for states to apply it? According economists, states achieve the following major economic objectives both domestically and at the international level through price discrimination: i. Maintaining domestic prices in the country of origin, by disposing of surplus stocks, or by exporting surplus production, while continuing to produce at full capacity<sup>15</sup>, and ii. The most condemned by some economists and businessmen is “predation”, where the exporter sets its export prices at non- remunerative levels to drive rivals out of the market or deter new firms from entering, with the view of recouping its losses afterwards by raising prices<sup>16</sup>: or pursue the more modest objective of inducing these competitors to share the market in his terms<sup>10</sup>.

The above mentioned goals of dumping have severe impacts on the political and economic effort of all states to grow, develop and industrialize, but mainly it is negatively affecting the developing nations in transforming and changing the livelihood of their people in an ever changing and hugely widening difference of economic disparity among states in which Africa is also the victim.

## Subsidy

Another part and parcel of unfair trade practices in the global economy and international trade is subsidy. It is the early practiced commercial activity as the national interest of states during the period of mercantilism or early Capitalism in the 18<sup>th</sup> century hindering economic growth in which the first tentative countermeasures against international unfair trade practices were directed at states subsidies<sup>10</sup>. Subsidy is identified by the economists as export subsidies and defined as: direct payments or the granting of tax relief and subsidized loans to the nation’s exporters or potential exporters and/ or low interest loan to foreign buyers so as to stimulate the nation’s exports<sup>14</sup>.

According economists, states achieve the following major economic and commercial objectives both domestically and at the international level through export subsidies: i. Governments may protect a domestic firm against foreign competitors, ii. With subsidies a firm lowers its costs and increases its

competitive advantage in domestic and foreign markets<sup>12</sup>. and iii. The Strategic Trade Policy, a recent development in the international trade which is advanced in favor of an activist trade policy and protectionism [argues] a nation can create a comparative advantage through temporary trade protection, subsidies, tax benefits, and cooperative government-industry programs<sup>14</sup>.

In short, subsidies are economic and commercial instruments used by the states in the international trade to gain unfair advantage over the economically disadvantaged states and continents such as Africa which relies on primary commodity production and export, having no capacity to subsidize let alone their industry but the basic needs of their citizens.

## The major impacts of the Unfair trade practices on the international trade

Unfair trade practices (dumping and subsidies) have severe impacts on the international trade among nations in general and on the economic transition and development of the Least Developed Countries (LDCs) in particular through minimizing their share of gains of exchanges from global commerce. For instance, from the benefits these practices provided for the states, they played crucial role in undermining the conventional theory of international trade and have been able to shift it from comparative to competitive advantage which mainly focuses on technology that determines trade patterns [which] frequently deliberately created through corporate and government policies<sup>12</sup>. Because of this shift, technologically competitive states using their technological capacity have been able to produce massively and then systematically dump their products to the least developed countries market which enabled them to maintain the balance of international trade and its gains on their favor. The following are the impacts of dumping on the least developed countries economy: i. It causes or threaten material injury to an established industry, and ii. Materially retards the establishment of a domestic industry<sup>10</sup>. iii. It also discourages the development of local entrepreneurship stifling economic growth<sup>7</sup>, and iv. Monopoly of market by those who can compete by lowering their prices and thereby enforcing the infant industries of the least developed countries to exit from the market.

Subsidies have been able to protect the economic interest and benefit of the developed countries with the expense of the least developed countries on the international trade in general, and with negative impact on the least developed countries economy in particular. These are the major impediments which are severely damaging economic growth and transition of the global economy by one of the unfair trade practices on the international trade called subsidies. Subsidies: i. Distort comparative advantage, thereby leading to the inefficient allocation of global economic resource, ii. Seen as being unfair and unbalancing the “playing field” in favor of foreign producers<sup>10</sup>. iii. Help foreign manufacturers operational costs low in which

subsidies are passed to the consumer in the form of good quality products at affordable prices<sup>7</sup>, and iv. In general, subsidies undermine the least developed countries effort to transform their economy and enlarge their commercial activity at the global level through discouraging their producers by offering minimum prices and thereby serving the interests of the developed countries by leveling the “playing field” in their favor.

Finally, the shifts from comparative to competitive advantage as a result of unfair trade practices has severely undermined the least developed countries efficiency in the domestic production and international trade and minimized their effort in transferring their economy and have made them to face insurmountable socio- political and economic problems domestically and internationally such as: i. The conditions of stark poverty prevailing in many countries, particularly those of Sub-Saharan Africa, ii. The unsustainable foreign debt of some of the poorest developing countries; and iii. The remaining trade protectionism of developed countries against developing countries’ exports<sup>14</sup>.

What have been so far discussed are the impacts of the unfair trade practices on the international trade among nations in general and the least developed countries in particular. Since the topic of the research is: The Africa –China trade relation: the role of African governments on protecting unfair trade practices, then the study analyzes the unfair trade practices China implicitly and explicitly exercising on its trade with Africa.

### **Unfair trade practices exercised by China on its trade with Africa and their impact on Africa’s economy**

China’s influence in Africa is ever increasing from time to time both in scale and scope on the political and economic sphere since the turn of the century contributing to the continental economic development. But what makes this significant influence a paradox is: with the many benefits to African nations’ economic growth and development prospects, China’s involvement [has also brought] many costs<sup>7</sup>. One of the major costs or challenges Africa faces on its trading relation to China is the unfair trade practices which emanate from the competitive advantage China has over Africa on the international trade that contributed for the unbalanced trade pattern between the two parties which is explained as: China’s value of trade exports to Africa is far greater than its value of trade imports [which] leaves Africa with a trade deficit<sup>7</sup>. The trade deficit has occurred as a result of Chinese systematic manipulation of the bilateral economic relation by implementing two of the major unfair trade practices of the international trade: dumping and subsidies which are hampering the economic development and socio-political transition in Africa. Unfair trade practices are China’s trademark in the global trade and commerce in which China has for long been classified by many countries as non-market economy, which makes dumping easier to find in its case<sup>10</sup>. Concerning the Africa-China trade relation, dumping and subsidies are exercised indirectly and

systematically through different ways to serve the interests of China by leveling the “playing field” in its favor having the negative economic impact on Africa in such a way that: i. Africans expressed their frustration over China’s role on the continent, having accused Chinese companies of underbidding local firms and not hiring Africans<sup>9</sup>, ii. Not only frustrating Africans but China has also indeed become a major threat, mainly in the clothing industry and agricultural commodities by discouraging the development of local entrepreneurship stifling economic growth, iii. Cheap Chinese imports on Africa’s market have posed a threat both in domestic markets and foreign exports by making the Africa’s manufacturing sector weak, and damaging the continents production capability and output. For instance the influx of low cost Chinese textiles and clothing has caused the closure of factories in Africa in which an estimated 250,000 jobs and 37% of African textile capacity has been lost. As a result of this, iv. Africa has effectively exported its own job and revenue to China<sup>7</sup>, v. Chinese cheap exports are also leading to further de-industrialization of the continent impeding genuine industrialization<sup>10</sup>, thereby hugely contributing for job losses in the manufacturing sector, vi. Because of these factors Africa is unable to establish production platforms similar to those of China<sup>5</sup>.

Unfair trade practices hamper, distort and eliminate Gains from specialization and exchange due to their targeted aim by the competitively advantageous states like China thereby affecting poor countries economically, socially and politically which are depending on primary commodity production. The identified problems above are some of the major impacts of unfair trade practices exercised by China on its trade relation with Africa contributing negatively to Africa’s economy, leading to the unemployment and poverty having severe social and political consequences on the African governments and the lives of their people. Socially, with growing trade has also come increased immigration. Today, Sudan houses some 24,000 Chinese nationals and South Africa is home at least 100,000 more<sup>2</sup>. This huge influx of the Chinese citizens has enabled them to participate actively in the local economic activity which was once dominated by the native citizens. Economically, these Chinese citizens have been competing rivals on the local trade transforming themselves in to active and dominant businessmen. Chinese businessmen presence and participation on retail trade in the local economy hugely damaged the local traders in which the influx of Chinese traders has driven African traders out of business<sup>6</sup>, this hugely contributed for the marginalization of Africans economically causing extreme social instability by severely affecting well established social institutions and having adverse social impacts to the grass root level. For instance, the Chinese deep involvement in the local commercial activity has resulted on the family split and poor living condition for the local traders and their dependents. This has made the local traders’ to be unable to secure their business due to the unfair Chinese competition and monopoly of the market. In short, this business environment on their own native land has made them unable to meet the demands of their family leading to social

instability having dire consequences politically in every African state.

Such social problems have also political consequences which undermine the security and stability at the local, state, regional and continental level in which the Chinese unfair trade practice has sparked protests and harmed local industries in Lesotho, Swaziland, Uganda, Kenya, South Africa, Zambia and Morocco<sup>7</sup>. Another important political consequence concerned with the Chinese unfair trade practice is its resultant effect in terms of investment which is linked with the Chinese abuse of Africans' labor and human right in mineral rich countries of Africa. The Chinese unfair trade practice which is targeting cheap labor force to amass profit in Africa has played pivotal role politically on shifting the voters' appeal in the most of African states by being successful in some and not in many others. For instance, on the contest of presidential election the opposition in Zambia took the political power where in September 2011, Michael Sata won Zambia's presidency largely by tapping in to anti-Chinese resentment<sup>9</sup>. Therefore, to avert these political, economic and social problems which one way or the other are caused by the unfair trade practices of China on its trade relation with Africa, decisive roles have to be played by the African governments to bring about long lasting economic solution which contributes for politically, democratic and peaceful: socially stable and organized and: economically, prosperous Africa.

### **What are The Roles of African Governments have to play on Protecting Unfair Trade Practices?**

There are multiple roles African governments have to play on protecting unfair trade practices which are tremendously affecting the continent in so many ways while conducting commercial relation with China in particular and the rest of the world in general in order to transform the lives of their citizens economically, socially and politically in the contemporary global context. These roles of African governments have to be analyzed from the three most important aspects of the challenge: economic, social and political, the continent is facing now and in the future which need extreme focus and urgent corrective action. Therefore, this study focuses on explaining the three separate but interdependent roles: the social, economic and political ones the African governments must play on protecting unfair trade practices impact on the citizens of the continent by creating awareness, taking strict measures and adopting joint economic declarations aiming at continental integration in a unified manner on the long run.

### **The Social role of African Governments on Protecting Unfair Trade Practices**

In the previous section of the study, the negative social impacts of the unfair trade practices by China on African society are discussed very briefly. Therefore, to avert these social problems which happened as a result of the unfair trade practices the African governments have to be able to utilize various social

means in order to motivate, inspire and bring about change of attitude and outlook of the continent's citizens on their social life. One way of achieving this goal is: the African governments have to play decisive and major social roles to mitigate the negative impacts imposed by the unfair trade practices on their economy through investing in social infrastructure encompassing health, education, water and sanitation thereby developing high quality human resources to support development efforts<sup>5</sup>. Specifically, the role of education by using different mediums is critically important to create awareness, broaden the thoughts of citizens' and encourage them with regard to consuming African produced and branded goods thereby having multiple positive effects on the overall economy of the continent. For example, the Proudly South African' buy local campaign has helped consumers distinguish between locally and foreign made goods and encouraged people to support the former<sup>7</sup>. Such campaigns are very instrumental to marginalize dumped and subsidized cheap foreign imports and induce local producers, sellers and buyers to rely on each other by strengthening citizens' loyalty to local brands and products having visible effect in keeping social set-up of locals stable.

African governments through the expansion of quality education at all levels can also play decisive social role by filling the gaps in developing quality human resource that is highly capable to support development efforts of the continent in the manufacturing and industry sectors which are vulnerable to the foreign competition due to lack of specialization. In addition to this, education plays critical role on capacitating the administrative and bureaucratic structures of different sectors in the continent in which the lack of capacity in most African countries is not only confined to the state. The private sector, which is essentially made up of individual and small companies, is also plagued by many technical and organizational constraints, which prevent it in particular from taking full advantage of international trade agreements<sup>10</sup>. Furthermore, practical trainings which include capacity and skill improvement have to be provided in the three sectors of the economy, i.e. agriculture, industry and service to be with the winning side on the global trade having efficiency and effectiveness. By doing so, local companies will provide alternatives to imports and will improve the African value chain in manufactured goods<sup>7</sup> which one way or the other renders social change and security for the locals. Therefore, education is an important input to build capacity at all sectors to escape from lack of technological modernization necessary to meet stringent global production standards and remain competitive<sup>5</sup>. Finally, African governments through the expansion of education including technical and vocational trainings can support development efforts of their citizens and states which are affected negatively as a result of the unfair trade practices on the international trade with the rest of the world in general and with China in particular.

### **The Economic role of African Governments on Protecting Unfair Trade Practices**

Africa's political independence started in the 1960's, but since then it is economically dependent and relies mainly on the former colonial masters and the West including: the new economic power house China nowadays. Because of this, Africa is highly vulnerable in the global economic relation for various factors but the major one is its economic underdevelopment which is mainly attached with its colonial legacy. The colonial legacy contributed for several political, social and economic problems, posed challenges and threats which still are the bottlenecks for the continent's progress. For instance, economically: one problem is that Africa's economic policies, governance and institutions have been far weaker than in many of the successful Asian economies<sup>11</sup>. Contemporarily, with the fastest growing population and urbanization at the global level Africa must industrialize and diversify its economy for several reasons which mainly include: improving the livelihood and wellbeing of its citizens through job creation for its younger generation and at the same time by export diversification to depart from the economy which is dependent on primary commodity production. Therefore, the African governments have to devise economic strategies and have to play essential economic roles on protecting unfair trade practices for the survival of domestic producers which are under pressure from foreign competition and this have for long been one of the greatest concerns of governments.

As it is discussed in this study, the continent is hugely exposed for unfair trade practices on the international trade as a result of the challenges of greater import competition due to trade liberalization and rising trade competitiveness from China<sup>7</sup> in particular, and the rest of the world in general. Therefore, with the new rules of the game, i.e. in an ever open world, without protection, and lesser state interventionism<sup>10</sup>, the African governments have to play the following essential economic roles on protecting unfair trade practices: by i. Proper application and strict practicing of economic strategies, such as trade remedies or trade defense which are contingent measures enacted to defend local producers in certain circumstances [having three major] forms: anti-dumping, countervailing and safeguarding measures<sup>10</sup>. The African governments have to adhere to them seriously in a coordinated manner to curb and minimize the threats of the unfair trade practices and to insure a fair global trade system in the absence of international competition rules, and render relief and space for adjustment for troubled domestic industry. ii. Rather than simply implementing protection measures, African governments should subsidize and incentivize the most vital and promising economic sectors to boost and expand to re-industrialize the continent<sup>7</sup>, iii. Securing rapid (high), sustained and pro-poor growth with structural and social transformations and technological upgrading, iv. Successfully pursuing export led growth taking advantage of market access provided through preferential trade arrangements, v. Eliminating supply constraints through increased investment in infrastructure and the people, vi. Avoiding commodity trap deepened by the aborted natural resource boom that compromised economic diversification, and increased

vulnerability to various shocks, and vii. Departing from of lack of technological modernization necessary to meet stringent global production standards and remain competitive<sup>5</sup>.

In addition to the above mentioned essential economic roles which are both inter and intra-state, the African governments have to look inward economically to find indigenous solutions collectively for the adverse impacts of unfair trade practices on the international trade by playing critical economic roles through adopting a Regionally Dependent Partnership (RDP) approach with clear vision, mission and objectives which serve as the basis for regional economic integration and at the same time it is a key for national development activities which will have a positive impact in solving the continent's persistent economic problems and challenges.

Regionally Dependent Partnership (RDP) is an indigenous economic approach that is originated from the continent's economic think-tank which mainly focuses on intra-continental and global development partnership aspect incorporating all the concerned segments of the society at large. Regionally Dependent Partnership (RDP) is based on the principle that African leaders and emerging leaders in governments, business communities, and civil society groups will ensure – in partnership, through the vision of Africa as nations networked into a unified continental economy and market – that: i. Each African constituent – namely leaders, emerging leaders and followers in governments, business communities, and civil society groups will – change, grow and strive, in particular, for their potential and perform their leadership tasks in partnership, while holding each other accountable, regaining leadership, and retaking the ownership of Africa's development process, ii. Each sector of the development will contribute optimally to regional wealth creation capacities and regional wealth, subject to an equitable distribution of regional wealth creation capacities across African nations, regional wealth African communities, global wealth creation capacities, and global wealth between Africa and developed countries, in particular, and iii. Each strategic commodity within every sector of development will contribute to broad-based economic growth, with food security, poverty reduction, equity, and better environmental management based on global partnership inspired by the shared vision of Africa as nations networked into a unified continental economy and market<sup>17</sup>.

In general, these are some of the most important comprehensive economic roles which the African governments have to play in order to maximize the continent's economic gains of trade through protecting the unfair trade practices on the international trade with China in particular and the rest of the world in general.

### **The Political role of African Governments on Protecting Unfair Trade Practices**

Protecting the unfair trade practices negative and shocking impacts on the overall political, economic and social system and

set-up of Africa cannot be alleviated or avoided by playing social and economic roles alone by the African governments. The most important, key and decisive role which cannot be treated separately and the main one that has significant impact on speeding-up, facilitating, application and realization of the social and economic roles is the political role. This is because, Africa's independence is only political, and this political independence has made African governments the major actors in decision-making in every aspect of the continent's relation both among themselves and the external forces. Therefore, based on this the African governments with the concerted effort of the concerned bodies, development partners and stakeholders by playing a decisive and coordinated political role can contribute their share on the continent's serious struggle on the protection of the unfair trade practices on the international trade in general and with China in particular aiming at the overall political, economic and social progress and development of Africa. The political roles included are: the African governments. i. Autonomously promote good and truly participatory governance, accountability and transparency, and ii. Avoid abuse of the policy space policies and practices including corruption<sup>5</sup>. iii. Growth and prosperity of Africa should be per African requisites, i.e. foreign policies of African states which are driven from the political power holders must be for the masses of African people<sup>7</sup>. iv. Needs to strengthen "the policy of umbrella" through more stable macroeconomic policies, more dependable provision of government services, and expanded infrastructure investments, including support for regional trade (e.g. improved roads and border post management)<sup>11</sup>. v. Should strictly apply trade remedies through step-by-step and gradual departure from aid-dependency, because aid-dependency influences "their decision to resort to trade remedy action against their trading partners, particularly if they are against their main donors or source of investment"<sup>10</sup>. vi. Creating a unified continental economy and market to result in the formation of African Economic Community (AEC) for the successful translation of the vision of Africa which supposes among others: Removing barriers that prevent the development of entrepreneurial ventures at national, sub regional and regional levels such as excessive bureaucracy, corruption, and protective attitudes of established businesses<sup>17</sup>.

Finally, African governments in coordination with each other rather than simply implementing protection measures, must play critical inter and intra continental political roles which are described above to mitigate and avoid the ruins caused by the unfair trade practices on the Africa's economy on the international trade in general and with China in particular those are undermining the development effort and ambition of Africa.

## Conclusion

The modern Africa-China relation has its root since the 1950's when most of the continent's states were under the colonial rule struggling to get their independence. This relationship has grown gradually through the decades and because of the China's

rapid economic growth since the turn of the century the relation between Africa and China gathered its momentum and mainly focused on economic and trade relation creating an opportunity for Africa of having new partner of development and provided it with an alternative to the West which has dominated the global economy for a long period of time. The best example for Africa-China rapid economic and trade relation is: since 2009 China has surpassed the United States as Africa's largest trading partner leaving behind the ex- colonial powers which were well-established partners like Britain and France. This increased China's influence in Africa from time to time both in scale and scope on the political and economic sphere contributing to the continental economic development at the same time posing major economic and trade challenges which have negative impact socially, economically and politically. One of the economic challenges posed is: the asymmetry of the Africa-China trade relation because of the unbalanced trade pattern existence as China's value of trade exports to Africa is far greater than its value of trade imports. This is mainly caused the trade deficit which has occurred as a result of Chinese systematic manipulation of the bilateral economic relation by implementing two of the major unfair trade practices of the international trade: dumping and subsidies which are hampering the economic development and socio-political transition in Africa. Therefore, the study stresses and emphasizes that the African governments must have to work hard on the importance, application and practicability of the three separate but interdependent roles: the social, economic and political ones in order to protect, mitigate, eradicate and eliminate the unfair trade practices which are tremendously affecting the continent and its citizens in so many ways by creating awareness through education: taking strict measures and by adopting joint economic declarations aiming at continental integration in a unified manner on the long run while conducting commercial relation with China in particular and the rest of the world in general.

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