

The impact of China on sub-Saharan Africa

Kaplinsky, R; McCormick, D; Morris, M

<http://erepository.uonbi.ac.ke:8080/xmlui/handle/123456789/51658>

Date: 2007

Abstract:

This paper focuses on the rapidly-growing links between China and SSA. The spotlight is placed on three vectors of interaction – trade, foreign investment and aid. Chinese involvement in Africa is driven predominantly by the quest for material inputs (oil and other primary commodities) required for its infrastructural investments and booming manufacturing sector. At least in the early years of this involvement, there appears to be close coordination between Chinese involvement in these three related vectors. Chinese involvement in SSA has important policy implications for growth, distribution and policy. Whilst it has provided a spur for some of SSA's key commodity exporting economies, its impact on manufacturing (both that destined for domestic and export markets) has been adverse. Even some of the benefits of the commodity price boom are ambiguous, since these are often associated with rising exchange rates, corruption and violent conflict. Commodity-based production also has adverse distributional impacts when compared to manufacturing. The rapid growth and significance of enhanced Chinese participation in SSA has important implications for both future research (there are large unknowns and the picture is changing so rapidly) and for a poverty-focused policy agenda.