



# The consequences of China's impending economic crisis on global economy: a predictive scenario on Sub-Saharan Africa

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## Abstract

*The main objective of this paper is to predict the consequences of China's impending economic crisis on global economy – with reference to Sub-Saharan Africa (SSA) in particular. The specific objective of this paper is to investigate and explore the increasing dominance of economic practice of China in SSA. China is a critical principal player in the economy of SSA. China's influence and dominance of the SSA economy might have negative effect on SSA in case of any implosion of the Chinese economy. Data were collected from print and electronic sources extracted from the vast body of empirical scholarship of different disciplines on China in SSA. The results of this paper revealed that China is indeed dominating the economy in SSA. Pointers are that China's economic implosion would have consequences for SSA in the same way as the 2008-2009 global economic recession had around the world. This paper positively predicts that China's economic and financial implosion remains a possibility, and would impact on SSA.*

**Key Words:** China; SSA; South Africa; Igor Panarin; Predictive literature

**JEL classification:** G21; G28; G35

## Introduction

Studies on the impact of the performance – especially economic recession of influential economies such as the United States of America (US) on smaller economies such as Sub-Saharan Africa (SSA) have been increasing in the last two decades or so. For example, the impact of the 2008-2009 global economic recession which originated in the United States of America on the SSA economy has been widely researched in economic and related disciplines – and has been on-going since. However, similar investigations could not be said to have taken place – not at least sufficiently on other crucial role-players such as China, Euro Zone, Japan and India in the economy of SSA. The economies south of the Sahara are heavily dependent on other larger economies such as China, Euro Zone countries, Japan and India apart from the United States of America for example. For instance, the Africa-India trade and market share relations had grown approximately twenty-six fold between 1991 and 2008 (Kshetri, 2013). On the one hand, trade and market investment of China in SSA has reached approximately US\$115 billion by 2010

therefore uplifting China to becoming one of the largest investors in the economy in SSA besides the US and the Euro Zone (Kshetri, 2013).

Amongst many other literature conceding that China's trade and market share expansion in SSA would have impact on the economy is Edwards and Jenkins (2014) who demonstrated this impact by observing China's impact on the South African manufacturing sector for example. While the Euro Zone, Japan, India and the United States are crucial role-players in the SSA economy whose impact would not be argued against, this paper instead focuses on China in the SSA's economy. There are at least three crucial reasons influencing the choice of China for this paper. Before delving into China in SSA, it is also crucial that China's global trade and market share strength be acknowledged. As a result of investments of the larger economies such as the US increasing their Foreign Direct Investments (FDIs) into China, China's global trade and market share strength is fast increasing. According to Gbadamosi and Oniku (2009), apart from the influx of investments into China from around the world, China also has several other trade deals with the SSA region where its activities are noticeable in countries such as South Africa, Zimbabwe, Zambia, Gabon, Nigeria, Angola and so forth.

China's current trade capacity, market performance, significance and influence on the political economy of the SSA region is difficult to ignore. China's influence in SSA is said to have grown to an extent of being critically important to global trade and market discourse – especially considering the growing negative perceptions in the West. The West view China in SSA as becoming their trade rival – especially with regard access to SSA's natural resources, and in addition growing political influence in SSA as a rising power in the region if not globally (Sautman and Hairong, 2009). According to Sautman and Hairong (2009), China is also viewed by the West as a "Patron of African Misgovernment," and "bad influence" on governance in the region as China's activities of promotion of corruption, authoritarianism and insane economic policies in the region, obstruct the West's mission of promoting the region's development through good governance and democratisation.

On this perception on China in SSA, the West cites China's ignorance of genocidal tendencies of the Sudanese regime of President Omar Al Bashir and the authoritarian regime of Robert Mugabe in Zimbabwe which China seems to promote (Sautman and Hairong, 2009). However, this paper is not to investigate if China's presence in the discourse of the trade and market share in SSA is positive or not, neither does it intend to promote the perception of the West about their role and that of China in SSA but to indicate the impact an implosion of China might have on the economy of SSA in case of that implosion taking place. This interest is sparked by current global trends which suggest it has become difficult most recently to discuss contemporary global political economy without reference to China – especially in SSA where China's investment is profoundly on the rise. This assertion is further strengthened by Lakatos et al. (2015) who predicted that “an average annual slowdown of GDP in China of 1 percent over 2016-2030 is expected to result in a decline of GDP in Sub-Saharan Africa by 1.1 percent and globally by 0.6 percent relative to the baseline by 2030” This is confirmation that China's performance would have effect on SSA. Secondly, probable developments on the political economy of China on SSA emanating from China's growth might have fundamental effect and influence on international trade and market share discourse perhaps in the same way as the events of the 2008-2009 economic down-turn in the US which eventually had serious impact on the SSA region and beyond.

The fact that China is said to be on a continuous growth path to dispose off the United States and Euro Zone (Sautman and Hairong, 2009; Zafar, 2007) in trade and market share space acquisition in SSA has increased empirical interest and debate on the China-SSA relations in economic and international political relations scholarship of late, and this paper is within that interest and debate. In fact Zafara (2007) corroborated this assertion by quoting a postulation made by Martyn Davies who was director of the Center for Chinese Studies based at the University of Stellenbosch, South Africa who claimed that;

*“China’s move into Africa is displacing traditional Anglo-French and U.S. interests on the continent.”*

In fact, Zafar (2007) argues that China has almost become a global economic super power. Thirdly, with the prevailing state of economies in SSA which continue to under-perform, many a researcher of regional

and global economies and economics have begun empirical inquiries on China's trade and market share acquisition models and strategies to establish if the same could be replicated and imported to SAA economies to improve such economies.

Parallel to these inquiries, are new studies investigating how SSA economies could adopt China's efficient economic management, new economic and political policy reforms, and hard work of the general citizenry to improve economic performance of the SAA economies in the same way as China had adopted these factors to positively grow the economy to its current state. The ailing SSA economies and China's persistent and continuous growth make it imperative to investigate any effect the SSA economies might have in the event of China's trade and market share volatility and implosion on the economies of the SSA. Although China has had so far no known economic down-turn which could match the devastating impact of the 2008-2009 global economic recession which originated as a result of economic down-turn in the US, such down-turn could not be entirely ruled out.

While the impact of the 2008-2009 global economic and financial crisis have been largely investigated, there are no known studies investigating the impact of a Chinese economic and financial crisis affecting economies in Sub-Saharan Africa, not at this point in time. So far, China has not had any seriously impacting economic and financial crisis on other economies bar the minor recession of 2015 the country recently experienced. Since no such crisis has been recorded yet on China – especially on Sub-Saharan Africa in particular for example, this paper wishes to present a “simulated predictive scenario” of what might happen in the case of any such event.

The main objective of this chapter is to explore the China-Sub-Saharan Africa impending/simulated impact of a possible Chinese financial and economic crisis having considered the increasingly important and growing trade, investment and market relations between China and Sub-Saharan Africa. The simulated predictive scenario as adopted for this chapter stems from the hypothesis that if the Sub-Saharan Africa region was so intensely affected of the events of the 2008-2009 US-originating global economic economic and financial crisis by virtue of the US and Europe having been intensely involved in the discourse of the economy of the Sub-Saharan Africa, what then could stop the region experiencing similar backlash should China go similar recession considering China's economic involvement in the region.

This chapter has been constructed from secondary data collected from a plethora of sources including published journal, periodicals, magazines and books. The focus of this chapter is China's international relation's theoretical model which is based on multi-polarity and non-intervention (Tull, 2006). This chapter assesses this strategy if indeed it is achieving the expectations of China – especially in Sub-Saharan Africa. However, the theoretical framework underpinning the argument of this chapter is based on the theoretical framework postulated by Tull (2006).

Tull (2006) argued that the fact that an economy is integrated with other economies elsewhere in the world suggests that that economy would remain exposed to vulnerability, shocks and risks experienced by the other relating economies. As an example, Tull (2006) demonstrates the relevance of this theory through the Asia-1997 financial crisis and how it impacted on China. According to Tull (2006) outside economic events could have effect on a country's economic growth placing the country on a precarious domestic situation characterised by assortment of a plethora of socio-economic increased complexities – which, in essence might impact on the political monopoly of the ruling elite – the Communist Party in the case of China.

This paper therefore bases its determination of the impact of an economic down-turn in China on a “predictive” approach. First, the paper presents the nature of predictive literature in global political economy. Secondly, the paper presents the role and position of China in global political economy. Thirdly, the paper presents the materials and methods adopted in gathering data. This is followed by discussions and conclusions drawn after the study.

## **Literature Review**

### **The nature and scope of predictive literature: A critical characterisation**

Given unpredictability and uncertainty of global political economy, there is sudden surge of predictive and forecasting empirical literature beginning to dominate empirical research amongst economists, development practitioners, political scientists, (foreign) policy makers, decision and future scientists for example. Such literature encompasses cross-national, global, regional and local references. Predictive literature focusing on local scenarios (Mohapi and Botha, 2013) are also in ascendancy in South Africa for example. Richard W. Johnson predicts political crisis in South Africa post-apartheid in his work "*How Long Will South Africa Survive? The Looming Crisis*" (Sarakinsky, 2015; Johnson, 2015). Mohapi and Botha (2013) for example, predict economic recessions in post-apartheid South Africa. Although some of predictive literature emanates from anxiety and political grandstanding of some sort, it is mostly evident that most of those who engage in predictive studies are motivated by that desire to influence (foreign) policy directions for future planning in the event of the impending shock. Predictive international political economy literature in particular seeks to "conscientise" and awaken the powers that be in global and regional economies and governance to develop instruments and mechanisms to minimise the shocks, not necessarily to avoid the consequential manifestations of what has been predicted (Sniedovich, 2012). Despite some of this literature proving fulfilled at times, often, political economists continue to live in denial of regional economic implosions – perhaps motivated by fallacies which postulate that such events were rare and highly improbable (Sniedovich, 2012) forgetting that some of these predictions become accurate non-the-less (Mohapi and Botha, 2013). However, it is critical to understand that indeed the world is fast changing, and "will not look the same in 50 years time as it does now" (Cox, 2012). It is therefore on this basis that predictive literature on economic directions of global regions and their subsequent futures is becoming increasingly popular. This paper is also from the "predictive literature" stable, and therefore joins a vast body of literature currently growing in global international relations, political, economic and decision disciplines. What is evident is that predictive literature demonstrates vast and broad thought of origin and objectives, making this literature increasingly diverse. Of late, predictive literature has also grown into computational algorithms popular with large entrepreneurial multinationals such as Mesquita and Roundell founded by Bueno de Mesquita which deals with political and foreign policy predictions for example (Sniedovich, 2012).

In this paper, although the commentaries take the predictive format, the direction this paper takes does not attempt however to re-incarnate the theories of Igor Panarin; the Russian professor who has been predicting the implosion of the United States (US) and the disintegration of its economy for decades – (without any success to date). This paper notes that Igor Panarin's views might not entirely be discarded as "without any success" yet because one factor common to predictive scenarios is that if one keeps on predicting, it might be that one of the days the prediction comes to fulfillment. In other words, with predictive literature, it might be that fulfillment of prediction is not always methodological but fate based. For instance, the predictions common with Bruce Bennett and Kwonwoo Kim (Kim, 2013) suggest that time and fate could instead be the triggers of the "predicted" demise of North Korea than it would be the authors' insinuated theories and methodologies of their analyses.

North Korea has had all the factors which are said to be leading to its demise but such prediction has not happened despite this theory. Roberta Cohen (2015) also tried to predict the implosion of North Korea which would have been triggered by new political-social trend taking place in North Korea. Cohen (2015) predicts a scenario which would trigger a dispensation of political evolution in North Korea leading to North Korea peacefully reuniting with South Korea. According to Cohen (2015), alternatively, North Korea would experience imminent collapse of the Kim regime which would have been taken over by military factions characterised by in-fightings. Cohen (2015) predicts a scenario which would then lead to possible takeover of North Korea by foreign forces. According to Cohen (2015) there needs to be some contingency plans put in place so that whenever this new dispensation sets in North Korea various humanitarian agencies would be able to dispense adequate food, medicines, potable water and sanitation to the North Korean public. There would be tensions all over North Korea with mass migration, increased numbers of refugees and

internal displaced persons (IDPs) to an extent that humanitarian agencies would have to provide protection, assistance and developmental solutions to the victims (Cohen, 2015). In fact Cohen (2015) went beyond predictions to even suggest development of an instrument which would address matters of the impending political transition which she argued would need economic recovery, establishment of the rule of law, promotion of transitional justice encompassing state accountability and public reconciliation in post-Kim North Korea. Reading through Cohen (2015) one can easily identify the caution postulated by Cox (2012) about predictive literature.

Cox (2012) has persistently argued and warned over-zealous “prediction theorists” that change of social, economic and political factors like in the case of North Korea as opined by Kim (2013) – and Cohen (2015) for example, would not necessarily provide absolute certainty as trigger for change of the *status quo*. In fact similar predictions had been made elsewhere before with minimal successes. One case in point is that of Robert Mugabe's Zimbabwe. This paper argues in line with the postulation expressed by Cox (2012) that while there might be some strong pointers to possible scenario development towards regime change in North Korea and Zimbabwe for example, it must be noted that such pointers might be negated by the smart reaction of the regime. According to Gwatipedza and Janus (n.d:2), regimes that are under pressure usually buy their legitimacy and stay in power from the public by providing “...public good and a surplus to both militia and citizens...” which at the end brings political stability. These assertions might assist in the explanation of the failures of some of the predictions made by Professor Igor Panarin on the US (for now), and also for the North Korea and Zimbabwe scenarios as expressed in some predictive literature (Cohen, 2015; Kim (2013). It is evident reading through most predictive literature that predictive scenarios have a tendency of creating over-zealousness and over-expectations at times.

However, despite the shortcomings of Igor Panarin's work, empirical literature investigating the success or lack of his work – especially on the US economy is intensively growing. Interestingly, Professor Igor Panarin's work had received massive interest even beyond academia, and it is easier to come across comments on his work on Internet blogs than in academia though. Although Professor Igor Panarin is not much of a factor in this paper, a sizable reference to his theories would however emerge in this paper throughout. For the purpose of this article, Professor Igor Panarin's work is key to understanding the nature of predictive literature. This paper refers to Professor Panarin's work not necessarily to play another Professor Frank Upham-Zhu Suli academic tit-for-tat engaging each other to prove academic supremacy (of political regions and ideologies) over another as demonstrated by Suli's response article to the comments which had been made earlier by Professor Frank Upham on Suli's work. In Suli's response article to the criticisms leveled against his work by the New York University Law School professor, Frank Upham, it is easier to identify that the criticized is Chinese while the critique is American.

This is revealed in Suli's response article where the criticized author argues(Suli, 2006:534):

*“I wrote the book in Chinese for a Chinese audience and never intended it to satisfy the political and ideological tastes of any foreign readers; Professor Upham's frustration or dissatisfaction is therefore understandable. Nevertheless, Professor Upham's review attracted my attention and needs to be countered, not because he has any new insights or makes any contribution to the study of law in China, but rather because his errors in methodology are typical of some Western observers of China and are influential in China. Such errors reveal not only the deep ideological bias that is central to the “moral authority” of the Western notion of the autonomy of law and “rule of law” (a shaky authority that has evaporated after 9/11), but also a theoretical mistake that is common in comparative or implicitly comparative studies of China”*

My reference to Igor Panarin's work is not about where the professor comes from nor the ideology and politics the professor might be representing. After-all, I am neither Russian nor Chinese. This paper is therefore none of each. Lessons learned from the Frank Upham-Zhu Suli's engagement could be that sometimes it is not only where you write from which causes confusion but perhaps where you are reading from which could trigger naivety. Another valuable lesson could be that it is impossible of a writer nor the reader not to be coming from any geographical region. These should not have any bearing on academic

work although it has most of the times been proven to have had influence on some. The world of academia involves unpalatable criticisms most of the time – and those involved should learn to raise their levels of academic argumentations instead of trying to raise a pointless voice. Contrary, this opens authors to academic violence. To this, O'Brien et al. (2004) cautioned “whoever does the telling (of a story) will have a point of view” without wanting to start an academic warfare – especially when that warfare openly defends a particular political region, not matters of academia. My paper is not however a great fan of Panarin's predictions let alone those of Bruce Bennett and Kwonwoo Kim (Sniedovich, 2012) – and neither does this paper take the route of Alexei Mareshenko and Vladimir Pozner on the one hand (Sniedovich, 2012).

Professor Igor Panarin predicted that there were a 45-55 percent chance that the US would (economically, socially, politically) implode and disintegrate at least by the year 2010. Evidently, Professor Igor Panarin's views in this regard seem to be based on supposed structural changes taking place in the US – especially the economy. What Panarin fails to see is that while there could be changes indeed affecting and negatively impacting on the US and the economy, there are also several other factors which have remained unchanged (Cox, 2012). Cox (2012) goes on to argue that these unchanging factors might be the stabilisers of what Panarin calls “an about to implode” American system on the one hand. Although Cox (2012) would not mention Panarin's views in his thesis, it is evident that the author is amongst those who contend the professor's views – especially as they regard the US. What is evident however in Cox (2012) is that the author also takes the route of Professor Panarin – allowing sentiments and political solidarity on the US to take over meaningful empirical theorisation of scenarios. Cox (2012) does not defend his position through tangible empiricism but resorts to illogical politicisation of the scenario predictions. It could be postulated that the route taken by Cox (2012) depicts in the most characteristics of the much criticised article of Professor Frank K. Upham in which the professor takes a swipe on the academic qualities of one of Suli's articles on China (Suli, 2006). From Suli (2006), it is evident that both the writer and the reader of the earlier article became entangled in highly politicised work which was only supposed to be merely academic. The politicisation of Suli's work is demonstrated by Frank Upham's reference to Suli's work as having “the absence of politics and political power.” and therefore Suli's work being “reticent to the point of timidity when it comes to politics,” (Suli, 2006). Suli's response article drifts to Frank Upham's politicised criticism of Suli's article charging that “nevertheless, Professor Upham's review attracted my attention and needs to be countered, not because he has any new insights or makes any contribution to the study of law in China, but rather because his errors in methodology are typical of some Western observers of China and are influential in China” (Suli, 2006:535). However, in the case of Professor Igor Panarin's work, the weaknesses might be suggesting the limitations of predictive literature in general.

Those who argue against Professor Panarin's views allege that the professor is instead heavily influenced by his dislike of America - or at least America's political and economic dominance of the world – especially when pitted against the professor's Russia. Some argue that Panarin's views are not unique as there has been some growing sentiments of America's implosion from many other commentators of global political economy. Panarin's views point to an America who is beginning to fumble through an assortment of complexities. Panarin mentions (1) declining morality (2) school shootings (3) the ever growing size of prison population (4) increased number of gay men in American society as having created a society increasingly pressurised by psychological stress to near implosion (Sniedovich, 2012). On the other hand, those who predict the implosion of the US argue that the its implosion would hinge on the challenge meted out by emerging powers from the Eastern block such as China and the Eastern Asia's Tiger economies who continue to threaten the US monopoly of global political economy. These “predictors” opine that the challenge for the US is not only the rise of the Eastern block economies but also in the emergence of the BRICs nations for example (Cox, 2012). However, Cox (2012) flatly dismisses these theorists “dubious” implying that the US is nowhere near implosion. In addition, Cox (2012) argues that the emergence of China in global political economy is far fetched considering that such surge is also faced with considerable complexities.

Looking at Cox (2012) it is evident that it is not like Professor Igor Panarin's views are without detractors however. Panarin's detractors such as Alexei Mareshenko – scholar-in-residence at Carnegie Moscow Centre and Vladimir Pozner – a prominent TV Journalist in Russia are well-known in predictive literature

and foreign-policy domains (Sniedovich, 2012). These detractors would argue that the professor is in fact Moscow's political fanatic more influenced by weird obsession against the US than real economic issues of the US. In other words, those who hold this assertion opine that Panarin is propagandistic in his predictions, and therefore often viewed as being from the so-called "voodoo decision theorists" or a mere "useless dissident" who happened to be obsessed with "American homophobia" (Sniedovich, 2012). In addition, there are some commentators who also argue that, to a certain extent, Professor Igor Panarin's predictions of economic events and direction of the US instead reflect a biased apocalyptic forecasting of events in the US rather than honest empirical assertions based on any proven scientific theories and reasoning. In other words, his detractors postulate that Panarin's views were raw wishful thinking of a Russian political lackey who is merely lunatic. Panarin's objective is to grind a political Axe with the US. Panarin, they argue, is a Russian fanatic waging instead a political warfare between Russia and their life-long enemy, the US opining therefore that Panarin is a mere conveyor belt of Russian misinformation about the US. The contention for political and economic space between Russia and the US is long well known in international relations.

This paper does not intend playing referee on the antagonisms involving Professor Panarin and his detractors. Those others such as Sniedovich (2012) who subscribe to the "voodoo decision theory" base their vehement rejection of Igor Panarin's views on grounds that his predictions lack sufficient evidence or proof but only based its conclusions on distorted imaginations, unrealistic and contradictory assumptions of spurious correlations for example. The main interest of this paper is on Panarin's views as "predictive" and playing a rhetorical theoretical reference to modern science of global political economy, not necessarily to argue that the professor's predictions were right or wrong.

However, reviewed literature does reveal that Professor Igor Panarin is in fact never alone in fathoming predictions of socio-economic demises, implosions and disintegrations of "disliked" political and economic systems and geographical regions. For instance, Bruce Bennett, Kwonwoo Kim and General Walter Sharp also predict "an upheaval" and "regime change" leading to the disintegration and implosion of North Korea (Kim, 2013). In his prediction of the demise of North Korea, Kim (2013) tries to predict this from the change of attitude on the people of North Korea towards the leadership of the Kim family regime, change in the control mechanisms and social control systems and ideological indoctrination employed by the Kim family in controlling North Korea.

It is not clear though yet if Bennett, like Igor Panarin did with the US also harbours any hatred towards North Korea or whether Bennett is his worst enemy based on personal fear of communistic North Korea considering Bennett is from monopolistic West highly influenced by capitalistic thought and ideology. The West are known proponents of a world order fashioned on flawless democratisation and liberalism which most hallucinate over. On the other hand, relevant to this paper emerges the predictions of Masson Gaffney on the economic disintegration of China. While popular commentaries project China as a rising star of modern economist, Masson Gaffney already predicts the catastrophic implosion of China in global economics. The sentiments of Masson Gaffney on China might also have emanated from ideological perspectives of the likes of Professor Igor Panarin and Bruce Bennett. Sometimes views on others could be driven by certain factors of, perceived or real conflict rather than absolute reality. It is however imperative to note that coherence of, and lack of coherence thereof of some of these insinuations would therefore not always provide implacable empirical yardstick which could be employed as standard measure of any reasonableness of some empirical conclusions – especially on "predictive" literature such as this article. However, sometimes coherence is confusing – and not to have it could be the best option at times (Mafukata, 2015). This insinuates that while it could be hard to identify any coherence on Panarin, Gaffney and Bennett, such lack of it could not totally eradicate the usefulness of their views in "predictive" literature on global political economy. Igor Panarin, Masson Gaffney and Bruce Bennett provide modern economic-political sciences with fundamental empirical theoretical rhetorics which assist the growth of the discipline regardless of lack of logic and coherence in their views.

However, this paper goes beyond the approaches employed by the theorisation of Igor Panarin, Bruce Bennett or Masson Gaffney on implosions and disintegration of politically disliked systems, firstly because this paper does not attempt to argue on the predictive disintegration or implosion of the affected economy

(China) of my reference but only argues on what might transpire in case China experiences any economic shock similar to the 2008-2009 global economic recession which had originated in the US around second half of 2007, and subsequently affected the entire global economy. Therefore, this paper neither takes the apocalyptic format of Igor Panarin's anti-US nor the anti-regional assertions of Bruce Bennett on North Korea.

The major interest of this paper concerns economic events in major economies of the world in the US, China, Euro Zone and Japan which together constitute approximately 60% of global Gross Domestic Product (GDP). It is impossible to have interest on contemporary global political economy – let alone discuss it without reference to either of the four. These are the kings of global economics of the modern world. However, obvious limitations of this paper are that the paper may not be able to focus on all the four economies therefore necessitating the narrowing down of the scope to only China.

## **China in Global Economy**

China has become increasingly influential of global economy with increasingly growing FDIs into most global economies (Lu et al., 2014). One region of the world currently immersed in the Chinese economic discourse and influence is Sub-Saharan Africa (SSA). China has become Sub-Saharan Africa's most consistent trade and investment partner for the past two decades. China-Sub-Saharan Africa trade and investment relations have also accelerated of late with more Chinese multinational companies vigorously exploiting and taking over business in the region with increased support of the Chinese government (Alden and Davies, 2006) which paves way for these multinationals through diplomatic and commercial relations within the region (Mohan and Tan-Mullins, 2009) to “go global” (Alden and Davies, 2006). As a result of China's economic presence and dominance in Sub-Saharan Africa, there has been widespread interest in China-Africa relations, and such interest cuts across fields of law, politics, economics, future studies, development fields amongst others (Kapilisky and Morris, 2009; Kioko, 2012; Manyeruke and Muqayi, 2011; Sparks, 2011; Tull, 2006). China-Africa relations are developing into a big story for empirical debate and electronic and print media focus winning front page headlines around the world.

Showing the political-economic stature of China in Sub-Saharan Africa, Brautigam and Xiaoyang (2011) revealed that China had invested approximately \$106 billion by 2008 in Sub-Saharan Africa, while Pigato and Tang (2015) revealed that, by 2013 China had already invested in excess of \$170 billion at a growth rate of approximately 26 percent since 1995 in Sub-Saharan Africa. Although it is hard to determine China's FDIs in Sub-Saharan Africa, Brautigam and Xiaoyang (2011) reported that approximately \$74.8 million by 2003 and \$5.49 billion of Chinese FDIs had been circulating in Sub-Saharan Africa by 2008. On the one hand, Sub-Saharan Africa's investment in trade and other markets with China has considerably improved over the years. In fact Pigato and Tang (2015) reported that Sub-Saharan Africa's global trade volume has grown to approximately 24 percent in China. As matters are, commentators of China-Sub-Saharan Africa economic discourse such as Brautigam and Xiaoyang (2011) postulate that both China and Sub-Saharan Africa have “mutual benefits” from the partnership. Some of these commentators argue that Sub-Saharan Africa continues to benefit from China's investments in infrastructure development including roads, stadia, schools and hospitals building for instance. In other words, China is assisting Sub-Saharan Africa to develop industries while creating and expanding employment capacity on the one hand (Brautigam and Xiaoyang, 2011). Further argument is that what China has done for Sub-Saharan Africa in only two decades of the partnership with Sub-Saharan Africa is perceived to be unmatched with the exploitation of imperialist Europe and America combined in Sub-Saharan Africa for decades of their presence. Western countries have had major control of over 90 percent of Sub-Saharan Africa's resources which they only plundered for their selfish gain (Brown, 2014). Many already opine that China would overtake both Europe and America as trade and investment partner in Sub-Saharan Africa considering the growth of Chinese trade and investment volumes in the region and the speed with which China is employing to gain entrenchment into the economic discourse of the region.

China's commitment to partnering Sub-Saharan Africa in its quest to grow the ailing Sub-Saharan Africa economy convinces most Africans and commentators of Africa's political-economic discourse that sooner or later, both Europe and America would be relegated to the back seat of the Sub-Saharan economy with



China firmly placing itself on the helm. So far, China has not had any seriously impacting economic and financial crisis on other economies bar the minor recession the country recently experienced. Since no such crisis has been recorded yet on China on Sub-Saharan Africa in particular for example, this chapter therefore presents a “simulated predictive scenario”. In other words, this chapter presents what might happen in the case of any such events developing in China. Simply put, this chapter explores the China-Sub-Saharan Africa impending/simulated impact of a Chinese financial and economic crisis having considered the increasingly important and growing economic relations between the two regions. The simulated predictive scenario as adopted for this chapter stems from the generalisation that if the Sub-Saharan Africa region was so intensely affected of the events of the 2008-2009 US-originating global economic financial crisis by virtue of the United States - perhaps even through some European economies who do business with Sub-Saharan Africa having been intensively involved in the discourse of the economy of the Sub-Saharan Africa, what then could stop the region experiencing similar backlash when the same economic and financial conditions could originate from China considering China's economic involvement in the region. Furthermore, that China's economy is not immune to experiencing economic crisis just as Adisu et al. (2010) projected that at one stage China's “growth is expected to fall” gives credence of a study of this nature.

In the context of the above, this paper argues that the 2008-2009 economic and financial crisis started in the United States, and subsequently spread to Europe where the effects were mostly felt and became more devastating in countries such as Greece, Portugal and Spain just to mention a few. During this period, Adisu et al. (2010) reported that China's economic growth also slowed down the same way as in some emerging markets. The fact that China has also suffered some form of economic and financial downturn most recently is indicative of what partners of trade and market cooperation with China have to always stay alerted for.

There are critical questions however which rise within the China-Sub-Saharan Africa economic partnership. For instance, how does China operate its economic agenda to dominate trade and investment in Sub-Saharan Africa? Brautigam and Xiaoyang (2011) also expressed a similar question, which led to an investigation on how China operated its trade and investment mission – especially in Sub-Saharan Africa. In the process, Brautigam and Xiaoyang (2011) discovered that China has adopted a geo-strategic approach targeting certain regions to implement its economic and market growth targets. Other specific questions critical to understanding the role of China in Sub-Saharan Africa and subsequent implications for the region also emerge. For instance, won't China evolve into another coloniser and exploiter of Sub-Saharan Africa the same way as the Western countries were at some point – during colonialism as time goes on? Already some emerging literature (Ayodele and Sotola, 2014; Lim, 2012; Brautigam and Xiaoyang, 2011) postulate that China might be another coloniser-exploiter of Sub-Saharan Africa in waiting, largely because China is a known authoritarian regime with poor record on respect for human rights, transparency and accountability (Malila and Molebatsi, 2013) with interest in Sub-Saharan Africa to satisfy its geo-strategic ambitions without offering any tangible and guaranteed long-term development imperatives for the region (Brautigam and Xiaoyang, 2011). In fact, the sentiments of China becoming imperialist in Sub-Saharan Africa has been summarised by Lim (2012) who hinted thus “African resentment towards China's exploitation is a growing phenomenon” In addition, some China-Sub-Saharan Africa pessimists such as the late president of Zambia Michael Sata also refer to China as “profiteers, not investors” who exploit local workers, import cheap labour from China instead of hiring locals and in addition dump cheap and unreliable goods with the host (Lim, 2012). Radelet (2015) affirms this view portraying China as a dictatorship which achieves its objectives hinting therefore thus “until recently the prevailing view was that if a developing country wanted progress, it was best to put benign dictator in charge” Radelet (2015:12) cites Indonesia, Malaysia, Singapore, South Korea, Taiwan and Thailand alongside China as examples of economically performing authoritarians. China's poor human rights record has also earned some political criticism from the United States who threatened to have punitive measures against China (Pape, 1997).

However, this criticism of China might be informed by the neo-liberal “Washington Consensus” approach which views global economic discourses from the perspective of Anglo-American capitalism while shunning

China's lack of economic model promoting economic practice centred on cooperation and pluralism characterising Western democracies (Brown, 2014). The views expressed by critiques of China are however challenged by others (Manyeruke and Muqayi, 2011) who argue that China provides smaller economies with trade and market option through China's "Confucius and Taoism doctrines" which promote "culture of negotiation" unlike the imperial Western economies who have been imposers of their political-economic models in Sub-Saharan Africa for decades. Evidently, there are mixed feelings on China and its political systems in creating market and trade space in global economics.

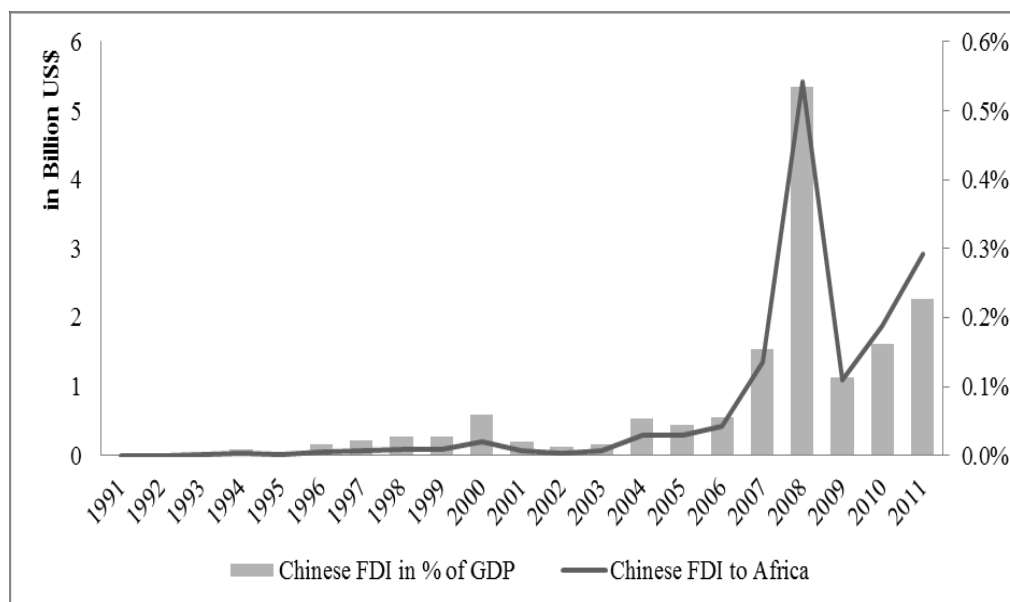
This paper also asks whether the economic shocks expected to be suffered by China at some point also not going to be transmitted to economies in Sub-Saharan Africa considering China's influence on these economies? This question is necessitated by the events of 2008-2009 economic and financial crisis which, even when it originated in the United States also permeated to the rest of the world because of the interconnectedness of the United States economy with economies in the rest of the world. If the US-originating economic and financial crisis of 2008-2009 had affected economies elsewhere in the rest of the global world, how prone then is the rest of the world – especially Sub-Saharan Africa to any eventful Chinese crisis? What is it that needs to be done to address the consequences of the impending Chinese economic and financial crisis in Sub-Saharan Africa?

In answering these critical questions, this chapter uses literature review. First, the chapter constructs a model which China employs to drive its political-economic agenda to dominate the political economic discourse of Sub-Saharan Africa, if not the rest of the world. This model explains how China fulfills its "go global" rhetoric (Alden and Davies, 2006). This Chapter connects the envisaged Chinese shocks with the economies in Sub-Saharan Africa to predict the possible effects using through interconnected sub-themes to argue the case. This chapter is structured as follows: First, this chapter presents the background to the study with reviews of theoretical and empirical literature used for the purpose of this research following thereafter. Section three describes the methodology and materials used to gather and analyse data for the study. Section four presents the results and discussions of the study while section five presents the conclusions, recommendations and implications of the study.

## **The Battle of the West and the East for Sub-Saharan Africa's Resources**

While modern development and economic theorists on Sub-Saharan Africa concur that the region is endowed with vast reserves of natural resources which are scares in most regions of the world, and that the region has been an economic target of these other regions of the world, it is easier to understand why some opinion makers concede that the region has become the future of global economics. In fact, Lim (2012) and Kgomoewana (2014) put a solid postulation about Sub-Saharan Africa arguing that "although Africa has been considered the most headache continent wrestling with civil war, genocide, famine, debt and corruption on the planet...", "Africa is the future...the greater risk is not being in Africa, but not being in Africa" This must explain the rush and presence of countless non-African investors and entrepreneurs in the continent then and now. The battle between the Western countries and China for African scares resources has been intensified in the previous two decades (Carmody and Owusu, 2007). China had always tried hard to enter the economics of Sub-Saharan Africa for decades. For example, Chinese explorers and traders led by Zheng He first arrived in some parts of Sub-Saharan Africa – especially in the East Coast of Africa in Somalia, Tanzania and Kenya approximately 1414, and again in 1431 (Sparks, 2011). Since 1850-1950, that is, the period of "coolie trade" for China's plantations, mines and railway construction, the 1960-1980 period of intensified Chinese foreign aid to Africa in a South-South relations during which period China intensively encouraged the African war of independence against apartheid in South Africa, Western imperialists and colonisers of Sub-Saharan Africa and of late the 1990s onwards period of China's intensified movement of their companies into the African market space – especially in construction, mining and energy sectors, China's intentions of taking over economic dominance of the African market has been evident (Adisu et al., 2014; Galer, 2015; Gualberti et al., 2014; Kaplinsky and Morris, 2009; Moyo, 2012; Sparks, 2011; Mohan and Tan-Mullins, 2009; Carmody and Owusu, 2007). Since the 1990s, there has been an intensification of China's economic and market space dominance in

Sub-Saharan Africa in what Haroz (2011) calls “Chinese joint commercial ventures in Africa” for “mutual benefit” (Brautigam and Xiaoyang, 2011). The Sub-Saharan Africa region has grown to become a crucial mutual friend of the Chinese in a partnership worth billions of dollars in trade investments and Foreign Direct Investments (FDIs) (figure 1) while China benefits immensely from Africa's rich natural resources on the one hand (Muller, 2008; Carmody and Owusu, 2007).



**Figure 1:** China's FDIs to Africa

Note: Chinese FDI flows into Africa in billion US\$ (left-hand scale) and as a percentage of African GDP in the respective year (right-hand scale). Data sources: MOFCOM (Various years); World Bank (2013).

Figure 1 illustrates the growth of Chinese FDIs to Africa between 1991 and 2011. There was a sharp increase of Chinese FDIs to the region in 2008 although the same declined in 2009 partly as a result of the 2008-2009 global economic and financial crisis which had negatively affected most economies around the world. China's economy also shrunk during the crisis (table 1).

**Table 1:** Gross Domestic Product (GDP) status of selected regions and countries

Economy	Year		
	2007	2008	2009
<b>Developing countries</b>	8.9	6.0	2.8
<b>China</b>	14.2	9.6	9.2
<b>SSA</b>	7.1	5.6	2.8
<b>Zambia</b>	6.2	5.7	6.4
<b>Angola</b>	22.6	13.8	2.4

Source: Essers (2013)

Essers (2013) as indicated in table 1 reported that China's GDP shrunk from 14.2% to 9.6% per annum between 2007 and 2008. Another downturn followed between 2008 and 2009 from 9.6% to 9.2% although this was a minor decrease. It is only Zambia which experienced a slump from 6.2% in 2007 to 5.7% in 2008 but recover immensely to 6.4% GDP growth per annum in 2009. This could be because of China's increased FDIs in Zambia through the copper mining industry. This means that the demand and price for Zambian copper had picked up on the market. However, with regard the increase of China's FDIs to Sub-Saharan Africa between 2007 and 2008 (figure 2) it might be because of the 2006 FOCAC (Mohan and

Tan-Mullins, 2009) in which China made a pledge to increase its economic output to the SSA region. However, China pledged first to improve diplomatic and commercial relations with Sub-Saharan Africa (Mohan & Tan-Mullins, 2009).

### **From Bandung Conference of 1955 to the 2006 FOCAC, and pre-FACOC of 2015 in Sandton, RSA**

Historically, China has had a roadmap to increase its politic-economic presence in Sub-Saharan Africa as far back as the 1955 Bandung Conference which sought to promote the Non-Aligned Nations' endeavour to consolidate "Third World Solidarity" amongst vulnerable smaller economies to bigger economies of the West. It is from the Bandung conference that "China began to cultivate ties and offer economic, technical, and military support to African countries and liberation movements in an effort to unite with them against both superpowers" (Adisu et al., 2014; Alden and Davies, 2006; Kaplinsky and Morris, 2009; Moyo, 2012). For example, China has had a powerful consistent relations with Zimbabwe dating back as far as the country's Rhodesian *Chimurenga* war of liberation against Ian Smith's British imperialism of Zimbabwe, and this relations have existed for nearly 35 years to date (Ebrahim, 2015:1). China has an effective international relations programme strengthening bilateral agreements with targeted developing countries with regard trade, finance, development assistance and defence for example (Alden and Davies, 2006). Later on, the trade and investment commitment of China to Sub-Saharan Africa was declared by President Zeming in 1996 who argued that China would seek for sincere friendship, equality, solidarity, cooperation, common development and orientation to the future with the region as guiding principles of the partnership with the SSA region (Carmody and Owusu, 2007). China is consistent with this policy. In 2015, President Xi Jinping reiterated China's international relations approach to South Africa just before the 2015 Forum on China-Africa Co-operation (FOCUC) Summit held in Sandton, Johannesburg, South Africa when he said "The China-South Africa relationship has become a model of solidarity and co-operation between developing regions" President Xi Jinping furthermore said "political trust between our countries is increasing and co-operation deepening, people to people relations are flourishing, and co-operation on international relations is strengthening. South Africa-China relations are in the best shape ever" (Ebrahim, 2005:1). President Zuma responded to President Jinping assertions thus "...we are very satisfied with progress relating to special economic zones and science parks in South Africa" (Ebrahim, 2005:1). It is evident that China has had a long-term trade and investment commitment to Sub-Saharan Africa as has been demonstrated by President Xi Jinping's assurance of Zimbabwe and South Africa ahead of the 2015 FOCUS Summit. So, it is up to the West to decide if they would want to compete China in this diplomatic protocol. I don't see the White House in Washington DC doing that – and I do not see London thinking about that as well.

However, despite the positive picture painted by China's international public relations and imaging on its commitment to Sub-Saharan Africa, there are however a lot more other emerging literature critical to the emergence of China's role in Sub-Saharan Africa's political economy – with some questioning China's intent. For example, Lim (2012) reports that "African resentment toward China's exploitation is a growing phenomenon" Even amongst some African political elites there are those who opine that China's involvement in the economy of Sub-Saharan Africa has to do with China's self interests than the interests of Sub-Saharan Africa (Haroz, 2011). This assertion is corroborated by Kaplinsky and Morris (2009) who postulate that China does business with itself but from the territories of the hosting economies because the so-called Chinese-aid-funded projects – especially in infrastructure and public buildings development are instead given to Chinese State Owned Enterprises (SOEs) which are either incorporated in China or started *ab initio* in the host economies while local businesses are ignored. The criticisms on China cite in addition China's cheap goods which are imported as final products by host nations which increases competition with local manufacturers and traders, increased number of small-scale Chinese traders in host nations which compromises local small-scale market space, increased Chinese labour in infrastructure development industry disadvantaging local employment seekers, using Sub-Saharan Africa host nations as transit points for Chinese products to regions less-enthusiastic and receptive of Chinese and satisfaction of China's geo-strategic ambition without any guarantees in the long-term for sustainable development of host nations for example (Brautigam and Xiaoyang, 2011; Lim, 2012). Growing perception is that China is in

essence another imperialist on Sub-Saharan Africa after Europe and the United States, however with a different mask. Some scholars of China-Africa political and economic discourse even suggest that China is an impostor wanting access to sub-Saharan Africa's scarce natural resources and fulfillment of its agenda to dominate global market monopoly, which up to thus far has been an American-Euro affair in Sub-Saharan Africa.

Despite the growing skepticism on China in Sub-Saharan Africa, on the one hand, there are some who argue that "But Asia especially China's rise differ from Europe and America when Europe and America rose, they did it at the expense of others, there were many conflicts and wars, they brutally colonized mostly Asian and African countries, exploited their natural resources and cheap labour factors. Today advanced capitalist countries are looking for China" (Prabhakar 2010). Evidently, China's involvement and sudden rise into economic and political prominence in Sub-Saharan Africa economic-political affairs continues to provoke mixed feelings and reactions; not only with regard China's intent but the overall implications for Sub-Saharan Africa as a region and global economic and political discourse at large in the long run. Evidently, argues Martin Jacques "not only is China the next economic superpower, but the world order that it will construct will look very different from what we have had under American leadership" Prabhakar (2010). One commentator on issues of China in the economy of Sub-Saharan Africa, Victor Kgomoewana takes a middle lane in this debate. Kgomoewana (2014:12), just the same way as Professor Calestous Juma of Harvard University argues that China was instead invited by the Africans into the economic discourse of Sub-Saharan Africa, and therefore China is merely fulfilling the role desired by the Africans – this unlike the Westerners who arrived uninvited. Kgomoewana's postulation in essence argues that imperialists are only made from the uninvited like the Westerners in Africa while the invited such as China are incapable of becoming imperialists. Therefore, how they came is what describes imperialism and not what they do after they have come.

### **The influence of larger economies on smaller-developing economies: Issues of the 2008-2009 Crises**

Over the years, the dominance of the United States and European economies in Sub-Saharan Africa has had implacable effect on the discourse of the economy in the region. One typical example is being the effect of the US-originating 2008-2009 global economic and financial crisis which also negatively impacted on the region's economies. While the impact of the 2008-2009 global economic and financial crisis have been largely investigated, there are no known studies investigating the impact of a Chinese economic and financial crisis affecting economies in Sub-Saharan Africa, not at this point in time. China could be a spark for yet another global economic and financial crisis. This assertion could best be corroborated by the words of President Tayyip Erdogan of Turkey who, when officially opening a meeting of the G20 held in Ankara, Turkey as the current (2015) presiding president of the G20 countries had this to say "Where there is a spark, it turns into a flame, and that burns the rest of the world" (Steyn, 2015:4). Our context emanates from President Tayyip Erdogan's views. President Tayyip Erdogan's views strongly postulate and opine that, while it has now become an open secret of the global economic and financial crisis having become an issue of the world though it only originated in the United States, the current (2015) economic slow down of the Chinese economy could also be the spark of a global economic and financial crisis. Although the Chinese slump has been referred to as a minor deceleration by the United Nations Conference on Trade and Development Report (UN, 2013), the issues are still relevant to a potential spark of another global economic and financial crisis – considering China's emerging stature in influencing modern global economy.

As to who China is in terms of global economic and political discourse, as Moyo (2012:5) asked, would from time to time be a rhetoric dominating modern global politico-economic debate. For certain, China's influence on global economic and financial discourse is profound and significant enough to warrant empirical assessment and evaluation. There is no doubt that more and more of the world would practice its economy with China in mind given the speed with which the Chinese economy has entrenched itself into influential role-players of global economics. China has become one of the top three largest trading and investor economies in the world (Galar, 2015). It is no longer secret that the influence of China on the

global economic dynamics scares even the United States. China threatens the monopoly of both the Western and American economies because the country continues to integrate the smaller emerging economies into its economic fold. Off course with conflicting economic-political ideological and philosophical targets of China against those of the super powers of global economics such as the United States and the Euro zone countries (Kaplinsky and Morris, 2009), animosities of both the Western and American economies against China are expected to rise and also escalate. In the period of China's growth, acceleration of investment and involvement into the economies of Sub-Saharan Africa – especially in the past two decades, it has become evident that political power and economic influence paradigms would be greatly shifted and aligned from the West and the Americas to the Eastern Bloc led by China with the Tiger economic bloc also rising as serious contenders to politico-economic power bloc of the Sub-Saharan Africa region. Malaysia for example has been having serious influence on Zimbabwean economy.

With the fall of the Soviet Union and the Eastern bloc's economic contradiction of the West, pointers are that another Cold War might be simmering between the West and the Chinese emerging dynasty. It is evident that the influence of the West on global politico-economic matters is fast waning – especially in Sub-Saharan Africa where China's strategic international relations policy is considered less arrogant than that of the United States. China's focus is mainly in resource access and acquisition, while on the one hand dispensing their economic ideology and philosophy to the host nations. Unlike the United States, China refuses to be drawn into internal matters of Africa's awkward politics. The West would also want to impose itself as the champions of global democracy although it is clear that resource acquisition remains fundamental target of the West in Sub-Saharan Africa. China chooses to acquire the resources differently; increased tolerance of Africa's political weaknesses, less arrogance and expedient extraction of resources to satisfy the country's growing industrialisation needs.

With China having become one of the top two global trade partners of most regions of the Sub-Saharan Africa region in the previous two decades, it would be hard for economic issues in China not to affect the world, if not the Sub-Saharan Africa region in particular where international trade of the entire sub-region seems not to exist away from Chinese economic power. The aggressive nature of the Chinisation of modern global economics where China is busy buying everything from human capital to natural resources such as Mount Toromocho in Peru for example (Moyo, 2012:1) will come into play during economic performance of China, and that of the entire world. In Sub-Saharan Africa, China has gone all out to invest billions of United States Dollars in energy and infrastructure development for example (Gualberti et al., 2014).

In the process however, China seems to forget that economic trends the world over reveal that what ever you buy turns out to become the source of conflict in future. Economic dominance is followed by exploitation, and already it exists in the minds of some dominated regions by China that China masquerades as the champion of development of the poorer regions such as Africa whereas contrary to this is China's political-economic arrogance and exploitation to dominate global market share. Wherever China dominates the markets, there would be at least three noticeable fundamental factors raised; (1) lack of quality in Chinese products because China maximises profits through decreased production costs (2) exploitation of workers because China emphasises less labour costs in production (3) China's deployment of its own workforce to host nations which limit labour absorptions from locals. The statement attributed to the late president of Zambia, Michael Sata on China in Zambia – and possibly revealing sentiments on China in the rest of the Sub-Saharan Africa region summarises already existing sentiments on the Chinese arrogance in the (labour) market in particular. The late President Sata of Zambia once showed his anger against the Chinese over this practice (Mafukata, 2015; Lim, 2012). Although the Sata sentiments could be viewed from a perspective of a populist tactician who desperately needed such grandstanding and posturing during an election (Lim, 2012), the Sata postulations reveal a scenario depicting China in an ambiguity difficult to accede to, while on the other hand, it is also difficult to reject. In Zambia, Sata's political posturing received benefit of doubt by the electorate who finally voted him into power in a scenario Lim (2012) termed “victory based on xenophobic fears of Chinese people” On the one hand, negativity about China in Sub-Saharan Africa demonstrates that indeed politico-economic arrogance as has been demonstrated by China in some cases has a tendency of long sustainability not because of tolerance of

host nations but lack of options in denouncing the perceived arrogance. China has employed arrogant diplomatic sentiments to force some African countries to accede to its demands. Based on this, Sata was actually not alone in the anti-Chinese arrogance for some African leaders have also “expressed concerns that Chinese investment in the continent was simply replicating European colonialism.” (Muller, 2008). In addition, some already contend that China are in reality not necessarily driven by benevolence as China would want the world to believe but China would, in the case of Sub-Saharan Africa want the region to modernise and develop, not only for the region’s benefit, but mainly because a modernized Sub-Saharan Africa region would be good for China (Haroz, 2011) with regard acquisition of critical natural resources such as oil and precious minerals.

As much as China provided an option for denouncement of Western politico-economic hypocrisy which dominated international political economics of most developing economies around the world – especially in the last two decades, the nature of China showing some glimpses of yet another imperialist in Sub-Saharan Africa is evident, however not obviously conclusive. The rise and emergence of economies such as India, Brazil, Malaysia on the one hand might also tilt international political economics dynamics currently influenced by China – to a notable degree and extent. However, only time would tell. It is in fact evident that should global political-economic matters remain the same, China’s dominance of global economics would remain unequivocally superior and dominant than that of the United States of America – especially in Sub-Saharan Africa. For instance, a plethora of literature (Sparks, 2011) opine that the Chinese political-economic model has gained more ground into the South African and Zimbabwean economic and market space of late. South Africa is even contemplating introducing Mandarin as a language in their education system. Given the known power and influence of language in global political economy, for sure this might show total onslaught and entrenchment of China, and their cultural, economic and trade philosophy in the region. South Africa is strategically a very important market for any foreign investor community, and having fully entrenched politico-economic philosophy and ideology in it would provide great impetus to acquisition and dominance of the region at large. China’s onslaught on South Africa would have consequences for the entire region. Some argue in fact that apart from China’s model of invasion of the South African market pointing to another attempt of the take-over of the region by foreign powers just as during the times of European colonialism of Sub-Saharan Africa, the new economic dimensions introduced by the entrance of China would introduce Sub-Saharan Africa’s second colonialism and imperialism. For worse or for good, the trends demonstrate that “Africa has become increasingly integrated with the global economy” (Mills and Herbst, 2012:4), and these new developments would further integrate Sub-Saharan Africa region into the global economy. In fact, Satgar (2012) argues, and calls the economy in South Africa highly globalised in affirming the postulation affirmed by this chapter. Satgar says in fact that South Africa has evolved into “a deep globalisation and globalised State”

However, this paper concentrates on the 2008 global financial crisis without delving much into current issues affecting the Chinese economy, and how that country manipulates global economic weaknesses and systems to their advantage. All these are crucial rhetoric emerging in the minds of global economic pessimists regarding global economic issues and trends. In view of these rhetoric, this section of the chapter demonstrates how issues of regional-global economics would affect, and impact on the financial and economics of the smaller economies such as the SADC. The main objective of this section of literature review is to demonstrate how the global financial crisis would then be issues of interest in the SADC as partner in global trade. These crises happen far away from the SADC in the Europe, Americas, and now the far East, and how they become fundamental to the SADC could be a mystery. This section assists in the analysis of the chapter.

The SADC is one of the 11 other regional trade blocs in Africa formed to respond to emerging politico-economic trends and behaviour of the regional-global markets which seem to be emphasising increased integration, intra-regionalism and globalisation in trade and politics (Chauvin and Gaulier, 2002). Maringwa (2009) clearly corroborates this assertion indicating that, for example, the member states of the SADC are able to engage in bilateral trade deliberations and agreements to increase and liberalise country-to-country trade flows thereby integrating the economies at that level. Trade Protocols are signed and implemented in bilateral agreements promoting cooperation between states. Maringwa (2009) cites the example of Malawi

and South Africa trade bilateral which has been existing since 1990 allowing Malawi goods and services to flow into South Africa without any demand for customs duty, notwithstanding the many challenges experienced within this bilateral agreement. Formations such as the SADC and related bilateral instruments are actually not new but legendary across the world. For instance, Negasi (2009) shows that as far as 1910, Africa has had numerous politico-economic blocs such as the Southern African Custom Union (1910), East African Community (1919) while the Europe has had the European Economic Community (1957) and later the European Free Trade Area (1960) among others. The idea behind these formations has to do with fostering and promotion of inclusive, integrated trade and accelerated regional-global economic growth and development. The G20 formed in 1999 for the top 20 global largest economies, and currently (2015) under the Turkish presidency in a rotational system of its presidency promotes maintenance of international financial stability. The G20 has approximately 85% of global economic output and 80% of global trade on the one hand. These formations connect and link the economies of countries, sub-regions, regions and finally, world trade together. This shows that regions; irrespective of their economic performances across the world are fast becoming more economically inclusive and integrated, and Africa – especially the SADC is no exception. Both Eita (2014) and Maringwa (2009), reported, and demonstrated the need for regional approach to trade and development citing the formation of the Regional Indicative Strategic Development Plan (RISDP) of 2004 which was formed to facilitate and accelerate African economic growth by removing constraints and complexities of regional trade by amongst others promoting achievement of Free Trade Area by 2008, Customs Union by 2010, Common Market by 2010, encouraging adoption of a monetary union by 2016, and finally emerging with an Economic Union by 2018 for instance. Whether these African attempts to integrate trade and development in the region are realistic or not, implemented or not, the fact of the matter is that Africa sees the value of regional and global integration with regional-global economic trends as they unfolded worldwide. Eita (2014) postulates that the SADC actually needed a solid partnership with the likes of the World Trade Organisation, European Union and other African trade blocs such as the East African Community to promote smoothed intra-regional trade which would reduce trade costs among others.

## **Conclusions**

From the reviewed literature, this chapter concludes that from Deng Xiaoping, China's political practice systems were Communistic and authoritative while the economic systems were capitalistic and mercantilistic targeting accumulation of resources from other economies around the world to boost its economic agenda of intensified social transformation and industrialisation. China worked out a prolific trade and investment roadmap to assist its expedition of acquiring trade and investment opportunities around the world. This contributed in making China dominate economy whatever the market space China enters. The economy of SSA is heavily reliant on China. This paper concludes that SSA has been in a growing interdependent trade and market relations and partnership with China, and whatever economic and financial shocks and risks China would experience might have dire consequences for the region. It is high time that SSA begins to build its economic capacity without having to rely on others such as China for in global economic discourses, things always have changed without warning. A study needs to be undertaken which would determine the cost for an imploded China on the regional economy. These recommendations desire to “conscientise” and awaken the powers that be in SSA's economic discourse to develop instruments and mechanisms to minimise the impending Chinese shock, and its cosequential effects on SSA, not necessarily to seek to avoid the consequential manifestations of the impending shock as that would not be possible to avoid.

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