MODERN RELATIONSHIPS BETWEEN CHINA AND GUINEAN GULF COUNTRIES

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Abstract: Nowadays, the relations between China and Africa are among the fastest and most productive in the world community. China organizes the supply of equipment, technology and labor, while African continent provide Chinese with the exclusive rights to extract oil resources and other minerals. As a result, China and Africa formed a powerful unity, built on the economic power of China and a huge natural resource base of Africa. Since 2003, the growth rate of China's GDP exceeded 10%, and after 2007 it was above the level of 11%. However, in 2015, GDP growth slowed down and showed a growth of 6.9%, which was the worst result in the last 25 years.

Keywords: Regional studies, international relations, history, China, economics, Africa, Guinean Gulf.

1 Introduction

In modern international relations, the relations between China and the Guinean Gulf countries is not the most important topic to study , because of the showing greater interest to the Middle East and EU and US policies. However, it should be noted that due to the fact that the countries of the Gulf of Guinea with the advent of the XXI century are rapidly progressing in their economic indicators, not without the help of the PRC, which suggests that if not now, then in ten years their bilateral relations will be one of the most important topics in international relations. At the same time, this cooperation is controversial, often speaking of the peculiar diplomatic methods of the PRC. In the studies of economists and historians there is no clear opinion about the exact goals of China on the African continent. On the one hand, in recent years, African countries have experienced significant growth in their economies with investment and assistance from China, but on the other hand, it is impossible to say exactly what China plans to do in the future.

2 Methods

The presentation of the material was built on the subject - chronological principle. The study requires an integrated approach to the development of basic material on this problem.

The use of the comparative historical method made it possible to understand how good the economic reforms were at certain stages of the political development of China and the Guinean Gulf countries.

The historical-genetic method used in the work made it possible to identify the general course of events. This method contributed to the identification of causal relationships between economic and social problems of the People's Republic of China.
A specific historical analysis made it possible to consider events in the context of the corresponding time, when an assessment of events is given from the point of view of a specific historical situation. To study the history of relations between the PRC and the countries of the Gulf of Guinea, this method is comprehensively applicable, since events were considered in connection with their historical necessity and significance.

3 Results and Discusions

Africa is a global supplier of many types of tropical plant raw materials: cocoa, coffee, peanuts, palm oil, spices, etc. At the same time, the agricultural sector of developing countries in Africa did not provide the local population with food products because of the lag of major food crops and population growth rates in most countries. In African agriculture uses more than 1/3 of the mainland. In 2010, about 5% were occupied by arable lands and perennial plantings, and 25% of the continent's area under pastures (The World Bank annual report 2010).

It is necessary to look through more detail on the western part of the African continent. The average GDP growth in West Africa stalled to 0,5% in 2016, after several strong years. It recovered in 2017 to 2.5%, and is projected to reach 3.8% in 2018 and 3.9% in 2019 (www.african economicoutlook.org). Between 2012 and 2015, many West African countries have a high growth of population. But in 2016, growth slowed down, averaging 0.5%.

The slowdown in 2016 was on a large scale, affecting almost all the Guinean Gulf countries. But, despite the fact that Nigeria and Liberia showed negative growth rates, some countries on the contrary had great progress, for example Côte d'Ivoire, where the result was almost 9 percent. The slowdown in Nigeria, due to the size of this economy relative to the region, meant a significant decline in the average for West Africa. In 2017, regional growth recovered, averaging around 2.5%. In 2018, it was projected to increase to 3.6%, and in 2019 to 3.8% (Anyanwu et al., 2016). The results for 2018 will be calculated in the coming months, but now it becomes clear that they will be much lower. The large economies of the region, Côte d'Ivoire and Ghana, together made up about 11% of the total regional GDP in 2017, and their projected growth in 2018–2019 is believed to be strengthened (Johnson et al., 2017).

The positive outlook for the region is based on the recovery in oil prices and oil production increases for Nigeria and Ghana and for strong agricultural indicators.

In most countries, the economic growth of the countries of the Gulf of Guinea was insufficient to significantly reduce poverty. In fact, farmers and firms in West Africa produce and trade in highly localized markets, but do not achieve sufficient success due to the scale needed to attract broad-based investments that could accelerate growth and reduce poverty. This is happening due to a number of restrictions, including inefficient transport and trade barriers along the corridors and at the borders, greater reliance on family and informal sources of financing, and an insufficient supply of reliable and affordable capacity. These factors lead to the fact that West African products are uncompetitive in the international market.

There are strategies for helping the countries of the African continent and the Gulf of Guinea in particular. For example, USAID's strategy is to work through regional organizations and private sector associations to address critical competitiveness issues and to demonstrate the productive potential of West Africa to stimulate large regional investments.

Another USAID-related trade program is implemented through the West African Trade Center in Accra, Ghana, in close coordination with the network of African regional partners of the private sector and government agencies, including the Economic Community of West African States (ECOWAS) and the West African Economic and Monetary Union (WAEMU) (Aryeetey & Baah-Boateng, 2007). The trade centre operates through regional private sector associations to help farmers and firms match product quality and market requirements and produce commercial quantities. USAID trade centre in West Africa also helps key regional private sector associations negotiate and fulfill contractual obligations and access funding.

External conditions, especially rising commodity prices, expected from advanced countries, positive economic prospects, should increase West African growth in the short and medium perspective. In addition, foreign investors see new opportunities in the region, but not only traditional countries to invest, like Nigeria, but also in fast-growing markets such as Côte d'Ivoire (China Export Import Bank, Annual Report 2015).

The current dependence of some large West African economies on the export of natural resources gives impetus of vulnerability to external shocks. Growth forecasts today depend on stable oil production and reasonable oil prices - this is both a plus and a minus for the Gulf of Guinea countries.

In the large natural resource market of the Guinean Gulf countries, only the states who are using their comparative advantages will improve regional trade integration, growth and development. The main obstacle to a larger number of ECOWAS internal commissions (the economic community of West African states) comes from non-traditional barriers, both political and economic. West African economy depends on several countries. Nigeria accounts for more than 70% of regional GDP, and if to include Ghana, Côte d'Ivoire and Senegal, the total amount will be up to 90% (Manukov, 2017). The economic prosperity of the region depends on the development of these countries and, conversely, this would be harmed by adverse shocks for them, especially in Nigeria.

Regional livestock and grain trade faces a number of competitive challenges. Low yields make local rice uncompetitive with Asian imports. Expansion of corn production is limited to aflatoxins and informal bans by the governments of West Africa. Trade in cattle and a small ruminant is limited by poor transportation and transportation along trade corridors. Livestock trade is limited to live animals, because the reduction of local red meat cannot compete with imports. Improving shelf life and product quality are among the top priorities of regional members of the agricultural association.

All in all, the countries of the Gulf of Guinea are developing quite well in the 21st century, but at the same time, the key macroeconomic issues are: inflation, interest rates, and exchange rates. The strong link between macroeconomic stability and economic indicators indicates that in West Africa, it is necessary to deepen structural reforms and diversify the economic bases of several countries, especially those that are dependent on everyday goods. Inflation, interest rates, exchange rates and budget deficits were used as indicators of macroeconomic stability. Inflation is the most widely used, because it directly affects other indicators. In the period of 2014-16, due to the growth of inflation from 8.2 to 12.7%, there was a kind of drop from 3.2 to 0.5%. A similar negative ratio is predicted for 2018-2019 High inflation in West Africa can slow down all progress.

USAID is increasing their potential for a grain network in West Africa (WAGN) and the Regional Livestock and Meat Association (COFENABVI) to help Gulf States to meet product requirements, discuss formal contractual obligations, and access financial services (Charmes, 2016). A trade centre and affiliate network connects West African farmers with regional processors and facilitates access to information about market opportunities and increase understanding of market requirements. This includes building the capacity of small farmers to meet health requirements, as well as requirements for classification, processing and sorting.

If we talk about specific examples of the countries of the Gulf of Guinea, then by its economic position, Nigeria can be called one of the most developed countries in Africa and, at the same time, a country that does not belong to the third world. In 2010, Nigeria's GDP was about $ 525 billion (Ajakaiye et al., 2015). Nigeria has a huge stock of natural resources. The country is very well developed with energetics and telecommunications, as well as the financial sector. In 2010, due to the PRC, Nigeria became one of the leading countries on the African continent in terms of economic development. According to Nigerians, China will be able to play a crucial role in enhancing the influence of developing countries on the changing global political, economic and financial structure, as it unites the most energetically developing states of the planet (Russian News, 2016). Since 2010, Angola alone has more than 580 enterprises, whose investment capital is estimated at over $ 2 billion.

In the modern world of international relations, each year there is a rivalry for African resources and a sales market. Due to the fact that the countries of the Gulf of Guinea have an enormous amount of natural resources, competition is only gaining momentum. After all, only the African continent contains deposits of almost all minerals: gold, bauxite, manganese, diamonds, etc. In addition, there are reserves of copper, uranium, oil, mercury gas.

At the same time, it is rather paradoxical that the industry engaged in the manufacturing sector is very poorly developed. In the Gulf of Guinea countries, the most common enterprises are: primary processing enterprises, consumer goods enterprises and heavy industry enterprises.

Thus, in the twenty-first century, the mineral and raw material potential of the African continent and the countries of the Gulf of Guinea in terms of the volume of reserves of various types of raw materials, in terms of its quality and cost of production, claims one of the leading roles in the global economy. In the near future, the participation of Africa in the world economy will largely be ensured by its resource potential, and the leading economies of the world, both traditional and new, will actively fight for the rights of access to African fuel and mineral raw materials.

In 2008–2012, the number of social and political problems in Africa increased significantly: unemployment, a crisis of power and absolute anarchy. This served as the basis for unrest in the Gulf of Guinea countries in the 21st century (REGNUM, 2017).

When analysing the future development scenarios of the Gulf of Guinea countries for the next two decades, it is rarely paid attention to the fact that the rapid growth in the output of cheap industrial products in many developing countries virtually overlaps the Gulf of Guinea countries with prospects for growth in local industry.

4 Summary

The economic structure of the Gulf of Guinea countries reflects their position in the global economic system, and the combination of negative external and internal factors further exacerbates economic instability in Africa. Due to the established international division of labor, Africa specializes mainly in the export of commodities, the prices of which are set at the global level, and not in Africa. Such models of unequal exchange not only reduce the development opportunities of African countries at the expense of export earnings, but also lead to the loss of competitiveness of African states on the world market. Undoubtedly, with exponential development, as globalization intensifies, Africa's position in the world will increasingly weaken. African economies are already suffering from serious instability caused by a combination of external and internal structural factors. Internal structural factors include the quantity and quality of human and natural resources and the dominance of agriculture in GNP. External factors include the lack of access to modern technologies and the problem of external debt.

The modern economy of the Gulf of Guinea countries, especially in sub-Saharan Africa, is in serious condition. There are many reasons for this as historical, economic and political. At this moment, one of the most important is the problem of complete instability in various fields.

5 Conclusion

While analyzing Chinese-African relations, we can say with confidence that cooperation between China and Africa in the future will develop even more rapidly due to the fact that China every year invests more and more money and people in the development of Africa, which immediately affects the dynamics human potential and economy of African countries. It can be assumed that China simply uses Africa for its own interests, as Europe and the USA believe, but this motive is not justified because it would not be beneficial for China to raise the standard of living of the local population to achieve its goals. It is enough for them to only invest those industries that they need (Paramonova et al., 2019).

That is why it can be said that the tandem of Africa and China is balanced and equal, benefiting both parties.

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