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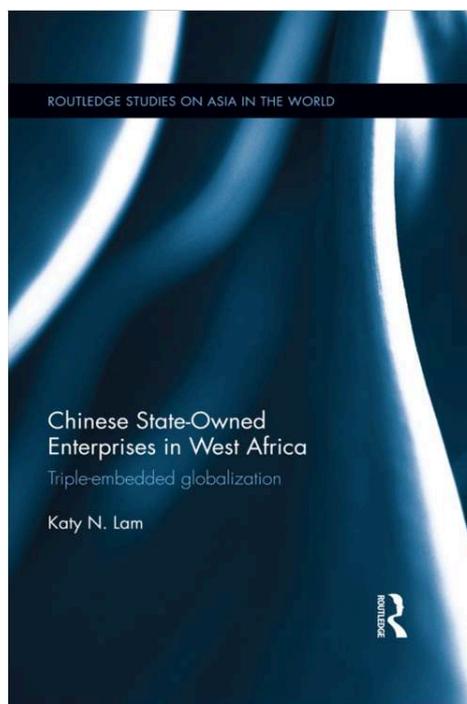
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Katy N. Lam, *Chinese State-Owned Enterprises in West Africa: Triple-embedded Globalization*, Abderrezak Adel, Thierry Pairault, and Fatiha Talahite (eds.), *La Chine en Algérie. Approches socio-économiques* (China in Algeria: Socio-economic approaches),

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- 1 These are two quite different books on a now well-known phenomenon: China's growing imprint in Africa. However, both focus on the economic and social spheres. One analyses the *embeddedness* of Chinese public enterprises in Ghana and Benin, while the other deals with the longstanding and crucial Sino-Algerian economic partnership. While the two works mainly present different aspects of China's economic presence in Africa, they contain numerous conclusions that can be of particular interest to political scientists and international relations experts.
- 2 Katy Lam's book, a reworked and abridged doctoral thesis defended at the University of Lausanne in 2015, relies on Karl Polanyi's *embeddedness* concept to show how the triple embeddedness of Chinese state enterprises in the social (provincial for most of them), territorial (West Africa – Ghana and Benin), and managerial (their local relational networks) environments structures their globalisation and helps determine their success or failure.
- 3 Based on extensive field work in the two countries, this study has much to offer on the strategies of Chinese firms, mainly provincial and often from less affluent regions (such as Gansu and Jiangxi), for growing in size and scale through internationalisation.
- 4 The book shows quite clearly how local embeddedness, both territorial and socio-political, was essential for the success of the firms' long term implantation. In fact, the firms could not have relied on the network of Chinese embassies, which at least at the time of the study were information gatherers rather than service providers for enterprises, including public ones, and even less for mere compatriots. Recall how Chinese diplomats in Accra remained helpless when in 2013 hundreds of Chinese gold miners—albeit with irregular work permit status—were forcibly expelled from Ghana.
- 5 The integration of Chinese state enterprises into local socio-economic environments takes time and perseverance. The Ghana-China Golf Club's role in fostering trustworthy ties with local elites (pp. 127-128) is noteworthy in this regard, but not exceptional (the same phenomenon having been noted by this reviewer elsewhere, such as in Yaounde, Cameroon).
- 6 More surprisingly but instructively, according to Lam, small and medium enterprises have greater chances of success than national behemoths such as Sinohydro or China Railways Group. When the latter are present, it is generally through their provincial subsidiaries in Hunan, Guizhou, or Anhui.
- 7 Funding sources for Chinese projects in Ghana and Benin are more diverse than might seem at first: relatively modest projects are often financed by international institutions such as the World Bank or foreign aid agencies, while bigger ones are backed by loans



from Exim Bank or Beijing. Ghana, for instance, received three billion dollars from China Development Bank in 2010.

- 8 This loan stoked much controversy locally: while it did not help the opposition in the 2012 elections, incumbent president John Mahama having easily benefited from the sudden death of his predecessor John Evan Atta Mills a few months earlier, it highlighted how China had become enmeshed in Africa's internal politics, in Ghana as in many other African states.
- 9 Characteristically as in many other countries, Chinese public enterprises compete with each other in Ghana and Benin as well, complicating the Chinese state's work and opening options for local actors; relations with the local administration and society are fraught with pitfalls that only grow because of the language barrier; workforce localisation that is necessary for cost reasons and already high (about 80%) is not as simple a process as might be assumed; finally, Chinese expatriate cadres hope to gain some form of social advancement from their experience.
- 10 Lam's use of the "retreat of the Chinese state" notion (pp. 148-149) can be disputed, given that provincial public enterprises are an integral part of the local state and contribute towards their provincial government's foreign policy. Similarly, the advantages enjoyed by SMEs can be debated: major national enterprises have bigger purses than small companies, and determine their implantation abroad relying on politico-strategic as well as economic factors. In addition, it is regrettable that there is insufficient political contextualising of the adventure of Chinese state enterprises in Ghana and Benin.
- 11 However, Lam is persuasive while describing Chinese implantation in West Africa as a form of *second-class* globalisation (pp. 148-155). This is a globalisation of small firms, from the bottom up in a way, enjoying little support from the Chinese government, especially in financial terms. Such globalisation has generally benefited these firms.
- 12 But can the internationalisation of Chinese firms be copied by other countries of the South? This is uncertain, say the authors of *La Chine en Algérie*.
- 13 A collection of many contributions initially presented at a conference at l'Université de Constantine 2 Abdelhamid Mehri (University of Constantine 2) in May 2015, the second book fills a major gap in the knowledge on Chinese economic presence in Algeria, especially in terms of the actors from both sides engaged in this cooperation. Picking up where a book by Thierry Pairault and Fatiha Talahite left off¹, *La Chine en Algérie* offers both factual and statistical information on bilateral economic and trade relations and analyses some Chinese practices in a country that has maintained close relations with the Chinese Communist Party since 1958, i.e., four years before its independence, through the Front de libération nationale (FLN – National Liberation Front).
- 14 Among the important and expected issues the contributors tackle are the impact of the Chinese presence on Algeria's economic growth and its integration into a development strategy seeking to reignite less profitable industrial sectors while reducing unchecked imports (p. 8).
- 15 In this longstanding China-Algeria relationship and "global strategic partnership" established in February 2014, a recent evolution in bilateral economic ties has been marked by the collapse of oil prices as well as the persisting absence of "strategising" cooperation on Algeria's part.

- 16 Consequently, although China remains one of Algeria's top trading partners (behind Italy, France, and Spain), from 2015 onwards it had to reduce the number of its infrastructure projects while investments in and exports to the country declined.
- 17 Indeed, while noting the statistical difficulties encountered, Pairault explains how China became Algeria's top supplier (since 2013), a major service provider (12% of total services provided in Africa), and a notable investor in the country (2.8% of total FDI). Nevertheless, he also shows that due to social tensions and the current political instability in Algeria, Chinese firms' infrastructure projects (highways and housing) constitute above all "forms of contracts that minimise the long-term responsibility of these enterprises" (p. 66).
- 18 A dissection of bilateral trade (Chapter 2, by Messaoud Zouikri) demonstrates how cheap Chinese products of "medium-low technology" meet, as elsewhere in Africa, the needs of "the most modest classes" of Algerian society (garments, vehicles, and electronic goods). In 2015, Chinese sales represented 18% of Algeria's imports. But Beijing, as the fifteenth largest customer of Algiers, mainly buys oil, making for a huge trade surplus. More importantly, purchases from China contribute only very modestly to bridging Algeria's technological gap (p. 84).
- 19 This raises the issue of the economic relationship's durability, as Fatiha Talahite notes in the book's introduction. China has built much and sold much, but on the whole has invested little in the productive sector. The responsibility lies squarely with Algeria for failing to seize the opportunities that China's economic upsurge presents. The Jiangling economic and commercial zone ran aground (Chapter 3). The entry of Chinese automakers into the automobile sector mostly resulted in boosting exports of their utility vehicles to Algeria (Chapter 4). Of course, some Algerian traders have benefited from this surge in trade, but it is contributing to the death of the local textile industry, as in Nigeria and Ghana (Chapter 5). On the other hand, cheaper Chinese machines have stimulated the agro-food sector. And the presence of about 100,000 Chinese contract workers have multiplied interactions, not always easy, between the two societies.
- 20 How has the Chinese economic presence benefited Algeria's development? Contributors to this book are understandably reserved on this score. After having helped "buy social peace" (p. 65), Chinese cooperation has to evolve if it is to become sustainable, in their view. But is it not in Algeria's interest to adopt, to start with, a new development model that is less reliant on hydrocarbon exports and more capable of stimulating foreign investment and the integration of its industry in regional and global circuits? The political paralysis at the top in Algiers is hardly conducive to such changes, and China, for its part, has no interest in seeing things evolve. The ball is clearly in Algeria's court, showing once again how Sino-African economic cooperation remains largely structured by the countries seeking to profit from it.

NOTES

1. See Thierry Pairault and Fatiha Talahite, *Chine-Algérie, une relation singulière en Afrique* (China-Algeria: A singular relationship in Africa), Paris, Riveneuve Editions, 2014.
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