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## **THE GLOBAL POLITICAL ECONOMY OF GREEN FINANCE AND SOCIO-ECOLOGICAL TRANSFORMATION**

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## Contents

- 4 JOHANNES JÄGER, LUKAS SCHMIDT  
Global Green Finance and Sustainability:  
Insights for Progressive Strategies
- 31 JOHANNES JÄGER, LUKAS SCHMIDT  
The Global Political Economy of Green Finance:  
A Regulationist Perspective
- 51 SAMUEL DECKER  
On the Transformative Potential of the ‘Green New Deal’
- 74 ELISABETH SPRINGLER  
Financial Innovation, Macroeconomic Stability and Sustainability
- 92 BERNHARD TRÖSTER, KARIN KÜBLBÖCK  
Shifting the Course? The Impact of Chinese Finance on Extractivism  
in Latin America and Sub-Saharan Africa
- 110 SIMONE CLAAR  
Green Finance and Transnational Capitalist Classes – Tracing Vested  
Capital Interests in Renewable Energy Investments in South Africa
- 129 SUSANNE SOEDERBERG, LAMA TAWAKKOL  
The Humanitarian-Development Nexus and the Jordan Compact:  
Tensions and Trajectories in Global Capitalism
- 154 YULIYA YURCHENKO  
The Energy Sector and Socio-Ecological Transformation:  
Europe in the Global Context
- 177 Book Review
- 180 Editors and Authors of the Special Issue
- 184 Publication Details

**BERNHARD TRÖSTER, KARIN KÜBLBÖCK**

**Shifting the Course? The Impact of Chinese Finance on  
Extractivism in Latin America and Sub-Saharan Africa**

*ABSTRACT* China's demand for commodities and its role as an investor and creditor in the global periphery are closely connected. In the past two decades, China's external policies have perpetuated commodity-based development models in the Global South, which are linked with negative socio-ecological effects. In this paper, we assess China's engagement in Sub-Saharan Africa and Latin America, by analysing China's outward financial flows. We show that these flows reflect China's growth model, but also vary by destination, given the regionally prevailing development strategies. We argue that whether new Chinese policies for more resource efficiency will trigger more sustainable development models in these regions, depends on these regions' existing relationships and experiences with China. However, the risks for continued extractivism remain high.

*KEYWORDS* Extractivism, China, Latin America, Sub-Saharan Africa, commodity-based development models, capital flows

## **I. Introduction**

Over the past two decades, global demand for natural resources has risen sharply. From 2000 to 2017, for example, the global extraction of minerals increased by more than one third, but with clear regional differences. While mineral extraction has decreased in Europe, it has doubled in Asia and increased by around one quarter in Latin America and the Caribbean (LAC) and Sub-Saharan Africa (SSA), respectively (World Mining Data). Consequently, commodity dependence has continued to be a very persistent feature of most low- and middle-income countries, with few changes over the last 20 years (UNCTAD 2019).

The dynamics in the commodity sectors since the early 2000s have led to a rise of development models based on commodity extraction in the Global South, and to a reassessment of these strategies in the academic debate. The changes in global commodity demand and trade are mainly associated with China's unprecedented, export- and investment-led growth (Schmalz 2018). Today, China is the largest importer of energy commodities and specific metals such as copper and iron ore. China is sourcing a significant share of its external commodity demand from SSA and LAC and has become the most important single export destination for most countries on both continents<sup>4</sup>. In this way, China has exacerbated commodity dependence in many countries in SSA and LAC.

The rapid rise of China has also restructured global financial flows. Chinese policy banks have turned into major lenders in SSA and LAC in the past years, and Chinese state-owned and private enterprises expanded their physical presence via foreign direct investment. Assessing China's role in SSA and LAC remains, however, a source of controversy, with interpretations ranging from new forms of colonialism leading to over-indebtedness and socio-ecological conflicts, to fruitful new forms of South-South cooperation creating opportunities for structural transformation (Küblböck et al. 2019).

This article describes the evolving role of commodities in development theories and discusses the rise of commodity-based development models in SSA and LAC in this context. Building on a review of China's development path, we analyse the most recent estimates of Chinese outward capital flows and compare the flows to SSA and LAC by volume, type and composition, and thereby assess China's influence on the major development models in these regions. We note that new Chinese policy initiatives for more resource efficiency could alter China's financial engagements and trigger more sustainable development with less commodity extraction in many countries. We conclude that existing relationships and experiences with China will be decisive in this context. Risks for continued commodity dependence remain high, particularly in Latin America.

## **2. Revival of commodity-based development models**

The heavy reliance on the extraction and export of commodities is a long-standing form of accumulation in most countries in the Global

South, often rooted in the colonial exploitation of natural resources (Peters 2019). Given the global division between the extraction, processing and consumption of these commodities, the potentially negative implications for economic development of commodity-dependent countries have always been a central element in development theories (e.g. Prebisch 1950; Singer 1950). After the boom-bust cycles of commodity prices in the 1970s, scientific attention focused particularly on the interconnection between commodity price booms and deindustrialisation (termed ‘Dutch Disease’ by Corden/Neary 1982). With country case studies (Gelb 1988), the thesis of the ‘resource curse’ gained prominence, which, supported by empirical analysis, postulates negative economic development effects for resource-rich countries (Auty 1993; see also Peters 2019 for an overview of the role of commodities in development theories).

The view of resources as a curse became entrenched at a time when most countries of the Global South remained highly commodity-dependent, despite active industrial policies in the 1970s (Nissanke 2019). During the neoliberal period of the ‘Washington Consensus’, policies did not, however, pursue active diversification efforts, but rather promoted extensive liberalisation of commodity sectors in LAC and SSA (*ibid.*). In combination with openness to trade and financialisation, these approaches have been largely detrimental for these regions, leading to financial and currency crises in various LAC countries (Schmalz 2019b).

The perception of the dominance of commodity sectors as unfavourable, however, seemed to reverse with the beginning of a commodity boom in the early 2000s. Triggered by China’s growth (as discussed below) and speculation in commodity derivative markets (i.e. financialisation of commodity markets; Ederer et al. 2016), prices and extracted volumes of all types of commodities increased in an unprecedented way. The mode of accumulation via extraction and the export of large volumes of unprocessed energy, mineral and agricultural commodities, which Gudynas (2019) defines as “extractivism”, provided the basis for new development models.

In LAC, the term ‘neo-extractivism’ was coined to describe a growth-oriented development path in which intensified extractivism is combined with a leading role for the state, capturing and redistributing rents to reduce poverty and inequalities, and thereby gaining social legitimacy (see

Svampa 2019 for definitions and uses of the term). While dynamics in individual countries differed in terms of the relative importance of commodity sectors, the economic and social policies applied, and the role of the state, the entire region experienced economic growth and reduced poverty rates up until 2014, particularly in countries with progressive left and centre-left governments (Jäger et al. 2014).

In SSA, extractivism also gained momentum in the early 2000s. The economic stimuli of the commodity boom, particularly in oil and mineral-rich countries, have been perceived as a positive signal for future development paths (Peters 2019). The type of extraction, however, remained largely conventional despite new pieces of legislation and strategy papers such as the African Mining Vision (Küblböck 2014). No comprehensive commodity-based development models, which included redistributive policies, were introduced in SSA countries. Policy debates and initiatives focused instead on the creation of productive linkages in and around commodity sectors (UNECA 2013) and on infrastructure-induced development (AfDB 2018). While these approaches in SSA aim at industrialisation and diversification, they remain directly linked to commodity extraction and rents.

When global commodity prices started to decline in 2012, the socio-ecological contradictions of the commodity-based development models became evident. GDP growth rates slowed down significantly, public revenues declined, and poverty reduction in both regions came to an end. Most importantly, the highly negative ecological footprint of extractivism and the related socio-spatial and socio-ecological conflicts came to the surface, in particular as commodity extraction further increased to compensate for lower resource rents or due to a return to conventional extractivism under right-wing governments in LAC (Svampa 2019).

Even though the resource curse literature has become more diverse over time, also addressing adverse social and ecological outcomes (Papyrakis 2017), policy recommendations often refer to better management of macroeconomic variables rather than to measures to reduce commodity dependence (Peters 2019). However, in order to design paths towards alternative development models, it is crucial to identify the drivers behind extractivist development models. Dietz (2017) emphasises the fact that these models are characterised by socio-spatial dynamics, with interac-

tions of global factors and local processes with multiple international and national actors involved. In this article, as one of these global factors, we focus on China's policies and activities, taking Chinese outward financial flows as an indicator, as the different types of capital exports can directly and indirectly shape production structures in recipient countries (Schmalz 2019a). The comparison of these flows to SSA and LAC, respectively, allows us to distinguish their effects in both regions and to draw conclusions on opportunities for alternative development models.

### **3. China's financial flows and commodity-based development models**

#### **3.1 China's evolving role in global commodity markets**

China and its role in the global economy has substantially evolved over the last decades (Schmalz 2018). In the 1980s, rural industry and domestic consumption constituted the sources of economic growth (Yuan et al. 2017). China employed commodity-based strategies, e.g. by the use of concessional loans from Japan for the import of manufactured products and technology against the export of oil and coal (Brautigam 2009: 47–51). In the 1990s, export-oriented manufacturing industries became the new growth engine, underpinned by low wages, high savings rates, and foreign direct investment (FDI) inflows, as well as a system of state-owned companies, including a government-controlled financial sector (Yuan et al. 2017).

In the late 1990s, this development model reached its first limits, amongst other factors due to high material input for manufacturing export goods and for increased energy consumption. Consequently, the Chinese government adopted a strategic change towards a more prominent global economic and political role, reflected in its 'Going Global' strategy of 1999 (Schmalz 2018). The main goals of this strategy are the acquisition of strategic resources and energy supplies and the increased access to global markets and value chains (Brautigam 2009). This economic engagement is embedded in China's traditional diplomatic and political approach to international cooperation, combining foreign policy, development aid and economic cooperation (*ibid.*).

The resurgent global growth after 2002 allowed China's export- and investment-led accumulation regime to continue and further increased China's demand for commodity imports (Yuan et al. 2017). After the global financial crisis in 2007/08, international demand collapsed, and China initiated a further attempt to restructure its economic growth model, with fiscal expansion and monetary policies aimed at increasing investments in infrastructure, higher private consumption and service provision (ibid.). It was, however, only in 2014 that China embarked on a slower growth path, with consumption outpacing exports and investment as the biggest drivers of growth (Schmalz 2018).

In the past two decades, China has become a global player in the commodity sector. In 2017, China accounted for about half of the global demand for metals, and China's share in the global demand for aluminium, copper and nickel rose from less than 10 per cent to more than 50 per cent between 1997 and 2017 (DERA 2019). Consequently, China has rapidly become the single largest destination for exports of resource-rich countries in SSA and LAC, which consist almost exclusively of unprocessed commodities (UNCTADstat data). Trade flows from SSA and LAC to China have therefore a higher environmental footprint compared to exports to the rest of the world, in terms of carbon emissions, water use and impacts on biodiversity (Ray et al. 2017).

### **3.2. China in the global financial system**

Along with China's economic transformation, its financial sector has evolved very rapidly since the beginning of the 2000s. Besides financing its domestic economy, the financial system has been instrumental in channeling investment and credit flows to strategic sectors and investment outside China, in line with official policies (Horn et al. 2020; Schmalz 2019a). Even though details on Chinese international financial flows are not systematically disclosed, various databases collect data on Chinese outward flows.<sup>2</sup> According to these estimates, China's claims towards the rest of the world amounted to more than US Dollar (USD) 7.5 trillion, equivalent to 9 per cent of world GDP, up from around USD 900 billion or 2 per cent of world GDP in 2004 (ibid.; SAFE 2020). The largest outward capital position (USD 3.1 trillion) is part of the People's Bank of China's foreign currency



reserves and is invested in government bonds of high and higher-middle income countries. Outward FDI (OFDI) flows have increased strongly, adding up to more than USD 2 trillion in 2019. Moreover, claims from direct loans and trade credits amount to almost USD 1.3 trillion (*ibid.*).

There are particular patterns in the type of Chinese investment and lending, according to the income level of recipient countries. Debt and equity portfolio investment go mostly to high-income countries, which makes China the largest creditor to the USA (Jenkins 2018). Further, OFDI flows to high income countries have increased drastically and account now for 50 per cent of Chinese OFDI (AEI 2020; Schmalz 2019a). In contrast, cross-border lending in the form of direct loans and trade credits goes almost entirely to developing countries (Horn et al. 2020). While outward FDI (OFDI) is increasingly carried out by Chinese state-owned as well as private corporations, portfolio investments and international lending are still almost entirely conducted by state-owned financial entities (*ibid.*).

The various types of Chinese financial flows towards countries of the Global South indicate that they are largely state-driven. Firstly, Chinese state-owned enterprises (SOEs) have been the major drivers of OFDI so far (Schmalz 2019a). Secondly, Chinese cross-border lending consists of official loans granted by the two Chinese policy banks, the China Development Bank (CDB) and the Export-Import (Exim) Bank of China, both created in 1993 under the authority of the State Council and mandated to implement the economic policies of the government (Irwin/Gallagher 2014). China's engagements in the Global South therefore incorporate strong strategic elements and reflect China's demand for commodities, grounded in its export- and investment-led growth path.

### **3.3. China's direct investment in extractive sectors in SSA and LAC**

An essential part of Chinese expansion in SSA and LAC has taken place through OFDI. In the initial phase of the 'Going Global' strategy in the early 2000s, Chinese OFDI went largely to resource-rich countries in Central Asia and SSA, based on intergovernmental cooperation (Braubach 2009). Over the last decade, however, flows to LAC have outpaced investment in SSA. Total Chinese OFDI flows between 2006 and 2019 add up to USD 88 billion in SSA and to USD 130 billion in LAC (AEI 2020), which is equivalent to around 20 per cent of additional FDI stocks in SSA, and 8.5 per cent in LAC<sup>3</sup>.

Chinese OFDI to these regions is highly focused on extractive sectors, accounting for 66 per cent (SSA) and 84 per cent (LAC) of total OFDI flows (ibid.). The major recipient countries are the largest and most resource-rich countries in both continents (Nigeria, South Africa, Zambia, Brazil, Chile and Peru). However, smaller and lower-income countries have also received large OFDI flows, for instance, China entered niches in SSA countries with comparably small extractive activities (Guinea, Mozambique, Niger) and in conflict-affected countries (DR Congo, South Sudan) (Ulbrich 2017). In LAC, China is further engaged in countries that have been sanctioned or avoided by Western investors (Ecuador, Venezuela) (Jenkins 2018).

With higher Chinese demand for commodities, the volumes of extracted minerals and fuels have increased significantly in both regions over the last two decades, driven specifically by mining activities, which increased by 31 per cent in SSA and by 21 per cent in LAC from 2011 to 2018 alone (World Mining Data). In particular, 'niche' countries in SSA, for which China has become the major source of FDI, show surges in above average mineral output. Consequently, the share of value added in the mining and quarrying sector, in total GDP, has increased from 2005 to 2018 in DR Congo from 11 per cent to 29 per cent, in Mozambique from 1 per cent to 12 per cent, and in Niger from 2 per cent to 6 per cent (with a high of 11 per cent in 2013) (UN Data).

In larger, resource-rich countries in SSA and LAC, China's OFDI has come in addition to already existing, large-scale extractive activities under the control of traditional US and EU investors. However, estimated Chinese OFDI flows to these regions have exceeded the total inflows from the USA since 2005 to LAC by 30 per cent and to SSA by a factor of four (Bureau of Economic Analysis data). Most importantly, China's concentration on extractive sectors is significantly higher compared to OFDI flows from other countries to LAC over the last two decades (UN ECLAC 2018), while the share of mining in US OFDI stocks in SSA declined from 60 per cent in the early 2000s to less than 37 per cent in 2019 (Bureau of Economic Analysis data).

Generally, already existing extractive sectors in large SSA and LAC contributed to satisfying the demand for commodities, but new extractive capacities were importantly driven by the entry of Chinese actors, which also replaced traditional actors through takeovers of whole companies or of specific projects (Tröster et al. 2017). In 2018, Chinese actors were estimated

to control one third of the mining sector in Peru (Küblböck et al. 2019), and 30 per cent of copper production and 50 per cent of cobalt extraction in SSA (Ericsson et al. 2020). Overall, mining and quarrying as a share of GDP remained stable or increased in most SSA and LAC countries up to 2015, but declined thereafter due to lower commodity prices, in particular in oil (UN Data). Nevertheless, countries that received Chinese OFDI in the extractive sectors in 2018 and 2019 still show increasing extracted volumes of minerals and fuels (AEI 2020, World Mining Data).

### **3.4. China as foreign lender in SSA and LAC**

Beyond OFDI flows, China has become a major creditor to many governments in LAC and SSA over the last 20 years. These cross-border loans are largely handed out by the two Chinese policy banks, the China Development Bank (CDB) and the Export-Import (Exim) Bank of China, in the form of project finance and trade credits, and often involve national governments. The majority of loans to the Global South are made on commercial terms, with only the Exim Bank granting concessional loans to a limited extent, in particular to governments in SSA (Jenkins 2018). In total, Chinese credits to SSA between 2005 and 2017 amounted to USD 135 billion, out of which 60 per cent were from the Exim Bank (CARI 2020). In LAC, the CDB is the most important lender, with USD 137 billion since 2005, which makes Chinese policy banks the largest lenders in LAC (Gallagher/Myers 2020).

The major difference in cross-border lending to SSA and LAC is the breakdown by sector. SSA countries received Chinese loans for construction contracts, transport, and infrastructure (30 per cent) and for power generation (26 per cent; especially hydro dams) that typically involve Chinese SOEs. The extractive sector is only the third largest target for loans, with 13 per cent (CARI 2020). In LAC, loans largely fund extractive activities. Loans to the energy sector (oil, gas and coal) make up for two thirds of these loans and are strongly concentrated in the oil sector in Venezuela (USD 62 billion) and Brazil (USD 29 billion).

Loans for projects in non-extractive sectors can nevertheless create an indirect link to resources, as these are used as collateral or even as means of repayment. The Chinese policy banks generally do not impose policy conditions on loans, but link loans to access to commodities, equipment

purchase or contract requirements, which allows China to enter into risky capital markets and to promote Chinese exports and construction companies (Brautigam/Gallagher 2014). Mihalyi et al. (2020) list 30 resource-backed loans in SSA with a volume of USD 66 billion and 22 in LAC with a value of USD 98 billion, mainly financed by CDB and Exim Bank. Roughly half of Chinese credits to SSA and LAC are collateralised by commodities. In SSA, these loans are linked to infrastructure projects and are known as ‘resource-backed loans’ or ‘Resource-for-Infrastructure’ deals. In LAC, most collateralised loans go directly to extractive sectors.

#### **4. Opportunities for new development models in SSA and LAC**

As shown above, the volume and composition of China’s financial flows to the Global South strongly reflect its policy priorities. Its growing demand for commodities has led to the direct and indirect engagement of China in extractive sectors in SSA and LAC and thereby enabled countries in these regions to perpetuate and deepen commodity-based development models.

As policy changes in China influence its external policies (Shinn 2016), it is foreseeable that a transformation of China’s growth model will have far-reaching implications for SSA and LAC, triggered by (i) higher environmental standards, (ii) China’s upgrading strategy, and (iii) its infrastructure initiatives. However, the impact of China’s recent policy shifts on countries in SSA and LAC will strongly depend on their pre-existing economic and political relationship with China.

Until the mid-2000s, the environmental impacts of its activities were not perceived as a pressing issue in China. However, the 11th Five-Year Plan 2006-2010 marked a policy shift, as it introduced resource efficiency and environmental protection as one of its main objectives and set national targets of a reduction in CO<sub>2</sub> and sulphur emissions (Compagnon/Alejandro 2013). In recent years, the Chinese government has also taken a range of measures to improve its performance on environmental standards, formulating guidelines for the social and environmental impacts of its projects overseas and China has issued more than 60 policy documents regarding overseas development (Myers 2019). While China’s environ-

mental legislation seems to be strong on paper, its implementation tends to be weak. Implementation of environmental regulations will therefore mainly depend on the will and ability of host governments to strengthen national laws and standards (Shinn 2016). Taking up China's initiatives on stronger environmental standards will be crucial, as a turn away from commodity-based development models requires a transition period with a move to a "sensible extractivism" with strict compliance to social and environmental laws (Svampa 2019: 51).

China has been making further attempts to transform its economy towards domestic consumption, innovation, and outbound investment as sources of growth (Schmalz 2018). China's industrialisation policy 'Made in China 2025' wants to develop Chinese companies as world leaders in high-tech manufacturing, which is reflected in more OFDI flows to high-income countries (Yuan et al. 2017). Chinese enterprises are encouraged to transfer the processing and assembling part of the industrial supply chain abroad, and to maintain high value-added production in China. The initiative will possibly result in increasing resource efficiency, more demand for higher quality metals, and lower demand for metal ores and energy commodities (DERA 2019). Consequently, China's total demand for unprocessed commodities could reach a tipping point, which would reduce the basis for commodity-based development models. However, relocation of processing and manufacturing offers opportunities for structural transformation in many countries.

The experiences with China's engagement in non-extractive sectors and the respective economic circumstances differ between SSA and LAC. Generally, the Chinese OFDI flows to SSA countries have gained large shares in total inflows and particular countries have seen Chinese flows driving extractive sectors. However, substantial shares of FDI inflows to SSA also entered manufacturing and services sectors, such as real estate, finance and transport, in which private Chinese actors play an increasing role (Jenkins 2018). In many cases, these investors produce for domestic markets (Wolf 2016). Chinese investment in extractive sectors also created backward linkages through the use of local inputs to the extractive industries and upgrading into value-adding processing activities (Jenkins 2018), and light manufacturing has been outsourced from China to selected countries (Altenburg et al. 2020). Even though activities beyond extractive

sectors have not yet reached a large scale in SSA and remain challenging, they provide guide for future co-operation with Chinese investors in these fields.

In LAC, Chinese investments in sectors other than mining, energy and agriculture are of minor importance, with the exception of Mexico, for two major reasons. Firstly, the relatively high level of wages in LAC make outsourcing of manufacturing from China less likely. Secondly, many LAC countries have their own manufacturing industry, and Chinese products are generally competing on the export and the local markets with products manufactured in LAC (Jenkins 2018). China's focus on higher value-added manufacturing might even create more competition with LAC producers and other dominating FDI investors from the US and the EU.

In 2013, China introduced the Belt and Road initiative (BRI), which focusses on infrastructure development, investment and trade facilitation. Its objectives are to overcome gaps in the infrastructure that constrain outsourcing of production and to support Chinese companies with insufficient experience in overseas investment (Myers 2019). As noted in section 3.4, SSA governments have received substantial amounts of loans for infrastructure projects and 38 (out of 46) SSA countries have already joined the BRI (Nedopil 2020), which fosters investment-driven development strategies (AfDB 2018). In LAC countries, China's cross-border lending has directly focused on commodity sectors while loans for infrastructure projects still play a minor role. However, as of March 2020, almost all LAC countries (18 out of 20) have become members of the BRI (Nedopil 2020).

In principle, the new Chinese modernisation strategy carries the potential for SSA and LAC countries to diversify their economy and thereby depart from unsustainable commodity-based development paths. The use of China's capacities for such a transition strongly depends however on the will and ability of national governments and actors to move towards alternative development models. Chinese engagements have so far tended to strengthen national elites in power in SSA and LAC (Banik/Bull 2018). Thus, new development paths depend on interests and visions of such elites. Further, the type of relationship with China is important. Sino-African inter-governmental cooperation has been more intense, based on historical relations, which go back to the early days of decolonisation (Brautigam 2009). The first Forum on China-Africa Cooperation (FOCAC) took place

in 2000 and explicitly mentioned the translation of energy and resource potential into “real socio-economic development” as a goal (FOCAC 2015). In contrast, the first Forum of China and the Community of Latin American and Caribbean States (CELAC) took place only in 2015 and the region moved back closer to the US sphere with a right-wing government coming into power (Küblböck et al. 2019).

Nevertheless, shifts in China’s engagements also entail risks. The relocation of commodity processing and manufacturing might even exacerbate commodity extraction and cause negative socio-ecological effects, depending on local environmental and labour standards. Further, infrastructure projects can themselves be considered as extractive activities and equally generate adverse ecological consequences and social conflicts (Svampa 2019). In particular, the financing of such projects with ‘resource-backed loans’ could even accelerate the commodity dependence in many countries.

## **5. Conclusions**

China’s financial flows to SSA and LAC in the form of OFDI and loans, with their focus on extractive activities, have created a strong Chinese influence in these regions and have even further increased their dependence on commodity extraction and exports. Thus, China’s engagement in these countries is also directly linked to the negative ecological and social effects of commodity-based development models that have generated multiple conflicts in SSA and LAC.

Chinese financial flows to SSA and LAC also reflect China’s growth model, and its demand for energy commodities and specific minerals. Differences in the flows to these regions can serve as an indicator for assessing the potential to overcome extractivism and to implement alternative development models, once China manages a transformation towards higher domestic consumption and the development of high-tech manufacturing.

Many SSA countries might find themselves in a better position, as they have diverse experiences with relocation of manufacturing and with infrastructure investments, while the China-LAC relations have been highly concentrated on extractivism. Nevertheless, a structural transformation

depends on the will and ability of national governments and actors to use the potential policy spaces, even though these opportunities are still confined within the global system of commodity-intensive production and consumption.

- 1 We are aware that the individual countries in the regions are highly diverse. However, we largely refer to general, regional trends in this article.
- 2 Official data on Chinese OFDI by the Chinese Ministry of Commerce do not reveal the detailed breakdown by country and sector. In addition, the data report that the majority of flows goes to Hong Kong and other offshore financial centres in the Caribbean, which veils the final destination of OFDI. Also, detailed official debt statistics are not reported. Therefore, we rely on data from various sources, such as the AEI and Heritage Foundation (AEI 2020), the China-Africa Research Initiative (CARI 2020), as well as Horn et al. (2020) and Gallagher/Myers (2020).
- 3 Given the lack of a consistent database on bilateral and sectoral FDI flows, the comparison of FDI data from different data sources should be interpreted cautiously. Here, AEI data on Chinese OFDI is set in relation to changes in FDI stocks as reported in UNCTADstat.

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*ABSTRACT Die Nachfrage Chinas nach Rohstoffen und seine Rolle als Investor und Gläubiger in der globalen Peripherie sind eng miteinander verbunden. Chinas Auslandsaktivitäten haben in den letzten zwei Jahrzehnten rohstoffbasierte Entwicklungsmodelle im globalen Süden gestärkt,*

*die mit negativen sozio-ökologischen Auswirkungen verbunden sind. In diesem Artikel betrachten wir Chinas Engagement in Sub-Sahara Afrika und in Lateinamerika basierend auf Chinas Finanzströmen. Wir zeigen, dass diese Ströme das Wachstumsmodell Chinas widerspiegeln, aber je nach regional vorherrschenden Entwicklungsstrategien variieren. Ob die neuen chinesische Politiken, die auf höhere Ressourceneffizienz abzielen, zu nachhaltigeren Entwicklungsmodelle in diesen Regionen führen werden, hängt von bisherigen Beziehungen und Erfahrungen mit China ab. Die Risiken für eine Fortsetzung des Extraktivismus bleiben jedoch hoch.*

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