Contesting China’s Engagement in Africa under Xi Jinping

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Abstract: The analysis on Chinese engagement in Africa mostly emphasizes either the consequences of Chinese aid and investment across African countries or what China is earning out of this relationship based on south-south cooperation. Since China has become Africa’s largest trading partner, its policy of non-interference has raised alarming speculations especially among western intellectuals. In recent years China’s burgeoning middle class and rapid economic growth have accelerated its quest for resources. The economic reliance on energy supplies to sustain and fuel its industrialization by securing raw materials and oil supplies has brought Beijing towards Africa. In this direction, China has worked to develop and modernize the continent’s mining sectors and oil fields despite the security and political risks involved within. With lucrative trade deals and business offers, Chinese business powerhouses are establishing their endeavors across African infrastructure, agriculture, manufacturing, and telecommunications. Assessing this relationship, it is argued that China’s role in the continent is not merely economic rather it encompasses diplomacy, security, and soft power aspects as well. There exist very few analyses that assess the relation as a two-way, where both sides try to accommodate and adjust with popular perceptions and policymaking of one another. This chapter mainly emphasizes sectors of Chinese engagement and its wider implication over socio-politics and ecology of Africa.

Keywords: Chinese engagement, Chinese investment, Emerging Africa, Strategic interest

1. UNDERSTANDING CHINA-AFRICA SHARED OBJECTIVES

China's engagement in Africa is premised upon wider strategic objectives. The obvious is its rising quest for natural resources especially natural gas and oil to support its economic development. As reported, China would surpass the United States to be the largest importer of oil globally. To safeguard its energy supplies, China’s investments in the oil sector are sharply increasing across countries like Sudan, Nigeria, and Angola. Secondly, since labor costs in China are increasing, it is swiftly moving away from labor-intensive industries and investing across Africa to prepare huge markets for its export commodities. African 55 countries served the Chinese aim of acquiring political legitimacy for all its trans-border projects such as One Belt One Road (OBOR) and to attain global influence.

The One China policy is also supported by most African countries to receive Chinese aid and investment. For security purposes recently China has developed its first overseas military base at Djibouti, this can also be perceived as an effort to assert its rising power and influence at international forums. To safeguard its economic interests, China tends to play a constructive role to mitigate and establish regional stability. On the other hand, why does Africa look upon China? For political recognition and acquiring legitimacy to its unstable governments and being a permanent member of the United Nations Security Council, China is important to Africa.

As one of the fastest emerging economies, China provides Africa with an alternative developmental model, trade with aid and investments, and infrastructure development. Especially China’s no strings attached principle and its non-intervention policy fascinates African leaders as it does not impose any prerequisite of good governance and overall stability as posed by western counterparts. Moreover, African leaders assume that China keeps them on equal footing like others as sovereign economies and provides them the liberty of engagement. Be it Sudan, Zambia, or Zimbabwe, China invests in those areas and sectors which are apparently unapproachable to western powers. Furthermore, the assumption that China would help uplift the African populace out of poverty in the same way as it did on their own.
Nevertheless, Chinese pursuits into the African continent have faced obvious criticism from scholars and activists globally over its incapacity to promote human rights, good governance, infringing labor rights, and other controversial business practices like undefined working hours and poor working conditions. China's support of less transparent or autocratic regimes like Zambia and Zimbabwe have also raised questions over its stand for legitimacy and stability in the continent. The conflicting claims that persist as such African resources are the sole reason to pull China to the continent, China is buying African agricultural fields and grabbing lands, it is only employing Chinese labor rather than the local (Esposito & Tse, 2015). Another refutes such claims and states them merely myths like Deborah Brautigam (Brautigam, 2015). Some argue services provided by Chinese companies are substandard and their products in the market outpace the local products and weaken local competitors.

With the inception of the Forum on China Africa Cooperation (FOCAC) in 2000, globally Chinese presence in Africa has been in the limelight. This institutional framework served as the primary platform for strategic engagement with African states (Pigato & Tang, 2015). The trade between China and Africa in 2000 surged from $ 10 billion to $ 220 billion in 2014 (China Daily, 2015). According to Steven Kuo, as compared to western competitors, Chinese technology with competitive prices and services supports the development of African telecommunication and infrastructure as Africa provides price-sensitive markets (Steven Kuo, 2015). It is observed that approximately 1 million Chinese have settled across various African countries in the past few years, which mainly includes traders and laborers (Lu, 2013).

2. SOME RECENT CHINESE PURSUITS IN AFRICA

In the direction of African industrialization, China promotes industrial parks development along with industrial partnership and capacity building. A nine-month project started in 2015 to build Hawassa industrial park in Ethiopia worth $ 250 million was completed in 2016 by China. As reported there are fifteen garment and textile leading companies in which six have started to export into global markets. Furthermore, three other industrial parks in Ethiopia are initiated by China’s civil engineering construction company (CCECC). In 2017 the Guangdong new south group of China initiated the building of the Uasin Gishu industrial park worth $ 2 billion in Kenya, which is the first of its kind in the country. It is based upon the Chinese model of special economic zones (SEZs). In the 2018 Beijing FOCAC summit, $ 60 billion are committed towards African development. This includes the construction of bridges, roads, seaports, strengthening human capacity and energy, etc. Regarding railway projects, China has funded the development of railways across Nigeria, Kenya, Angola, Ethiopia, and Djibouti. One of the largest Mombasa-Nairobi gauge railway projects in Kenya is Chinese-funded. The Nigerian Abuja-Kaduna railway, Lobito-Luau Railway of Angola, Ethiopia-Djibouti railway, and the light transit Addis Ababa railway all are Chinese funded. The Economic Community of West Africa States (ECOWAS) headquarter in Abuja and the African Union headquarter at Addis Ababa in Ethiopia both are Chinese-built.

The Ghana government made a deal with the Chinese regarding the exploration of bauxite deposits in the country in 2017. As a part of direct investment, China developed a special economic zone (SEZs) at Pointe-Noire in Congo. The Caculo Cabaca hydropower plant is built in Angola by China. Considering Zambia there are various ongoing exploration projects besides this, the cement factory is constructed by China. The Edo state oil refinery in Nigeria is a Chinese undertaken project. In Egypt, China proposed building an upmarket residential district along with recreational centers, a university, an industrial zone, and schools. To Zimbabwe, one of the best allies of China, a new parliament building is underway. In the process of development, infrastructure is the most crucial aspect and in Africa, it is needed urgently to accelerate its economic growth and overall development, infrastructure is what China is best equipped to provide.

3. ECOLOGICAL IMPACTS OF CHINESE ENGAGEMENT

Globally all investments are critically observed, be it in any sector. The development of infrastructures, Mining explorations, or Mineral extractions has a very detrimental impact on the surrounding environment as well as the concerned weather of the region. And when it comes to Africa, the powerhouse of natural resources, it is important to be considerate of ecological balance while making investments across sectors. Remarkably, China's investment across African countries is mostly intense into environmentally sensitive sectors like forestry, mining, fishing, and energy. The...
African governments are not actually serious about the environment when it comes to development in all aspects, mining, infrastructure, energy etc. Chinese are reported for illicit exports of zebu, a cattle breed and rosewoods. From Zambia to Mozambique, the Chinese quest for African wildlife is also encouraging poaching (Pilling & Feng, 2019). With the cultural clash along with infrastructure development, communal friction is also reported due to environmental degradation since African societies are mostly indigenous. In Africa, China has arrived with different developmental designs, along with a poor ecological record back home. China also claims to be a champion in green technologies.

However, environmental guidelines were adopted by China's Export-Import Bank (EXIM) in 2004 voluntarily and made public in 2007 (Shinn, 2015). It stated that funds will be curtailed for environmentally detrimental projects, or which failed to get environmental approval. Furthermore, in the process of any project, there appears to be damage to the concerned environment EXIM Bank would immediately cut off the financial support (Bosshard, 2008). Paul Wolfowitz, former World Bank president asserted as the Chinese are new to financing African developmental projects, they should be reminded of the mistakes made by the USA and France while investing in Zaire. In 2006, he further said about eighty percent of global commercial banks respected the Equator principles while financing projects across the continent.

The Equator principle is the laid down framework to address social risks and environmental issues involved in development projects (Bosshard, 2008). One of the acclaimed thinkers in the field of China-Africa relations Ian Taylor argued in 2007 that there reported various instances where environmental laws were infringed by Chinese companies by collaborating with local criminals (Taylor, 2007). Furthermore, western companies are not exempted from crimes related to the environment, but the persistent worry is the absence of strong environmental activism and lobby in China itself, so why would they care about the environment beyond their borders? There exist no mandatory guidelines regarding environmental protection while making investments in Africa, moreover it’s been observed that even if the environment is harmed African leadership is reluctant to be the whistleblower due to the immediate profit out of the investment (Shinn, 2015). While maintaining its policy of non-intervention, China relies on its domestic guidelines rather than obeying international standards.

According to William Laurance, a distinguished laureate and conservationist, it is only China that has reached to the deepest corner of the developing world and has deteriorated the environment. From mining, fishing, logging, agriculture, energy, infrastructure all these sectors explored by China into the continent are having an unprecedented impact on the environment and overall ecological balance. It was in 1999 when ‘going global strategy' pushed China to hunt for resources. The rail networks running in Uganda and Kenya are proposed to pass through Nairobi national park. In the Congo Basin, mining, construction, and logging projects are carried by Chinese companies. The three thousand miles railway as proposed by China would pass through South America deforesting savannas with the objective of transporting goods like timber and soy etc. to the coast of the pacific to further ship China.

Worldwide China is a prominent hydroelectric dams builder, most of which are built-in environmentally critical regions of Africa such as the Grand Ethiopian Renaissance Dam and the ongoing construction of the Grand Inga Dam on the Congo River. Regarding the Inga dam, the Democratic Republic of Congo has not studied and evaluated the environmental impacts of the construction yet. On the other hand, the recent Addis Ababa to Djibouti passenger line is worth contributing to the overall connectivity. Nevertheless, the concern that remains is Chinese investors hardly heed to the sustainable development of the region. Concerning the illicit wildlife trade, China has become the largest consumer of almost everything, tiger parts, rhino horns, pangolins, and shark fins. A UK scientific group: global canopy program reported China for the worst tropical deforestation. China is also censured for illegal transport of timber and the rosewood forest of western Africa are immensely eroded away. One of the major factors for tropical deforestation is palm oil, for which China is the biggest importer, also environmentally certified palm oil import tariffs are charged by China.

As reported by a Dutch forester in the Republic of Congo, when it comes to juxtaposing European exploitation with that of Chinese, Chinese bribes top officials lavishly whereas Europeans used to gift
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many people. The Asian Infrastructure Investment Bank while funding the overseas investments outplaying the environmental concerns. As per World Bank analysis, China’s about three thousand projects are mainly concentrated in countries with weak environmental regulations and have transformed them as pollution havens (Laurance, 2017). Some environmentally critical projects like Ghanaian Bui National Park’s Sino hydro dam and Sino hydro project on Kafue flats and Zambian National Park (Bosshard, 2008). Even some environmental activists have raised concern about oil exploration that is critically endangered plants and animals.

4. ECONOMIC IMPLICATIONS

To assess and examine economic impacts of Chinese into Africa, three aspects are important to look upon: trade, aid, and FDI. As a result of China's engagement, on a positive note African pattern of trade has been diversified. To some extent it has boosted growth rate, from 1980s-1990s there was negative growth rate whereas it grew by 2.4 percent on annual average from 2000-2009 and with 1.8 percent growth rate from 2010-2012 (World Bank, 2014). Considering Chinese FDI, with $ 200 million in 2000 it surged up to $2.9 billion in 2011 with China claimed to be the largest investment partner in Africa (UNCTAD, 2013; MOFCOM).

As a result of trade diversification, export volatility is reduced in Africa (Hnatkovska and Loayza, 2004). Due to rising Chinese demands for raw materials, the value of African exports of mainly raw materials has also surged up at global level, further adding up to its economy (Zafar, 2007). Consumers in Africa are provided with competitive commodities with low prices and with the availability of choices. Everything comes with a cost; the Chinese surplus has also washed away local African products and the manufacturing sector. According to Moyo “emergence of China is a golden opportunity to Africa offering the continent a 'win-win' alternative to the scenario of an 'aid-dependent economy' by focusing instead on trade and investment and by providing the infrastructure that will enable Africa to move up the development curve” (Moyo, 2009).

5. CHINA’S FOREIGN DIRECT INVESTMENT IN AFRICA

Investments are the most important aspect of the African development trajectory, be it from the European Union, the United States, or China and the third world. The sustainable development goals of the UN also known as the post-2015 development agenda include goal number nine to "build resilient infrastructure, foster innovation and promote sustainable industrialization". The industrialization process in Sub-Saharan Africa which is home to 67.4 percent least developed economies of the world (LDEs) is the slowest compared with the rest of the third world despite possessing largest natural resources. The FDI flows are imperative for employment, boosting industrialization, capital formulation, and overall sustainability with economic growth (Liu, Hao, & Gao, 2017). It is urgently required by African countries due to a lack of technical know-how and inadequate physical capital. China’s presence in the African continent is mainly evaluated on the premises of its development finance in terms of loans and aid, infrastructure and investment, and trade (Donou-Adonsou & Lim, 2018; Mlambo, Kushamba, & Simawu, 2016).

Figure 1. China’s FDI into the continent arrived mainly after President Jiang Zemin visited in 1996 in Africa and President Hu Jintao in 2004.

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Analyzing Chinese economic performance between 2004 to 2011 the industrial output share of economic growth was 33 percent and between 2012 to 2015 industrialization contributed 30 percent to the overall growth. This led China to lead the third world by expanding its business empire beyond borders. There observed diversification of sectoral investment by China from construction, information transmission, manufacturing, computer services, mining, software, etc. Moreover, mining and construction remains the focus of investment because mining provides natural resources to fuel Chinese economic growth and infrastructure development puts African governments into Chinese debt trap by making them acquire loans for construction projects. However, these loans are conditioned upon allowing Chinese firms into the construction of infrastructures (Brautigam, Diao, McMillan, & Silver, 2017; Brautigam & Gallagher, 2014).

6. CHINESE DEBT-TRAP

In today’s time China is accused of ‘debt-trap diplomacy’, the term gained prominence when the Sri Lankan port of ‘Hambantota’ was handed over to China on the line of a ninety-nine-year lease. The China-Pakistan economic corridor (CPEC) is also drawn under scrutiny due to its billions in loans offered by China. Recently in 2018 Sierra Leone refused to accept Chinese funded international airport worth $ 400 million at Mamannah.

In 2010, Chinese debt over Africa was US $ 10 billion and in 2016 it increased to US $ 30 billion (Jubilee Debt Campaign, 2018). According to the China-Africa research initiative (CARI) loans of about $ 143 billion have been passed by Chinese private banks and state institutions from 2000 to 2017 to the African governments. Out of this up to 80 percent came from Chinese state-owned institutions and up to 20 percent from private firms. In 2018, Forum on China-Africa Cooperation summit (FOCAC) proposed $ 60 billion of aid for African development. The top ten countries, which accounts highest Chinese Debt are Angola with $ 25 billion, Ethiopia with $ 13.5 billion, Kenya with $ 7.9 billion, Republic of Congo with $ 7.3 billion, Sudan with $ 6.4 billion, Zambia with $ 6 billion, Cameroon with $ 5.5 billion, Nigeria with $ 4.8 billion, Ghana with $ 3.5 billion and Democratic Republic of Congo with $ 3.4 billion (Chiwanza, 2018).

However, the concern emerges is where this Chinese Aid and investment would lead African countries in the coming time, which seems more vulnerable.

7. SOCIO-POLITICAL IMPLICATION OF CHINESE ENGAGEMENT

There is various analysis that states that Chinese ties have led to negative political development (Manning 2006; Tull 2006; Phillips 2006; Naim 2007). Within China itself there is a lack of promoting Human Rights and government accountability, so how could it foster or consider human rights and good governance outside their borders? China has a centralized and authoritative form of
governance, and it stands by the same structure in Africa such as its ties with Robert Mugabe of Zimbabwe and China's role in the Sudan crises. According to Henderson, 'China exports the capitalism which they have excelled and know the best' (Henderson, 2008).

Furthermore, to acquire profitable investment bids, China directly bribes the top government officials and encourages corrupt illicit practices. Chinese investments are moreover concentrated in politically unstable regions where the west generally hesitate to intervene like Sudan, DRC, Zambia, Zimbabwe, Angola, etc. Dreher argued, "new donors do not generally portray a stronger bias against governed states and older donors in spite of censuring China are still engaging with authoritarian and corrupt states" (Dreher et al. 2010). Through Zambia Chinese 'neo-governance' portrayed its assertiveness and power into the process of globalization (Carmody et al, 2011).

The term 'flexigemony' is used by Taylor (2010) and Carmody to depict and underline the dynamic patterns of interactions and engagement between African politics’ differentiated landscapes and Chinese stakeholders. Flexigemony states the way China modifies strategies to best serve the peculiar geopolitics and history of African countries. According to Large, African countries perceive the engagement by emerging powers as a ‘revival of triangulation’, where the country which welcomes their engagement gets some profitable deals (Large, 2008). Alden analyzed African polities as democratic states with diversified economies, pariah states, weak democracies, and illiberal regimes (Alden, 2007).

For pariah regimes, China provides development assistance and FDIs which other platforms deny posing preconditions, such as Sudan, Chad, Zimbabwe, and Angola. The weak democracies and illiberal regimes contain most of Sub-Saharan Africa especially Senegal, Zambia, Tanzania, Nigeria. Here deals are brokered and negotiated at elite levels to gain hold over strategic resources. Chinese business deals and investments do bring the needed development to some extent but at the cost of out-spacing indigenous firms, which becomes a source of conflict. And these symbolic development structures threaten regime legitimacy. Alden stated countries like Ghana, Namibia, Botswana and most notably South Africa as democracies with diversified economies. Here the relation with China is complex and contingent upon local policy framework and business interests.

China has always reiterated that malfunction of government machinery or human rights abuses stand to be internal matters of countries like Equatorial Guinea, Sudan, Zimbabwe and have nothing to do with our business deals or foreign policy (Kahn, 2006). Considering Sudan, provided with various forms of monetary aid by China in exchange for its oil, China has also provided Sudan an interest free loan of $ 13 million for the new presidential palace, along with defense supplies of arms and ammunition (Taylor, 2006). China also provides diplomatic assistance to such regimes or non-state outfits such as Pakistan-based 'Jaish e Mohammed' by vetoing resolutions in the United Nations Security Council. Such moves further encourage political instability and social unrest in countries with fragile civil societies and disturbing law and order. Furthermore, Chinese assistance to Equatorial Guinea and Angola undermined the International Monetary Fund (IMF) and World Bank efforts to bring governmental reforms to the country.

8. CONCLUSION

There is no denying the fact that, development model sponsored by China in the African continent has its own pros and cons. Evaluating and balancing the outcomes is moreover determined by the recipient countries. The emergence of China as the global economic power since the beginning of the century is an outfall of its growing presence in Africa particularly through foreign direct investments in the continent. One of the consequential aspects of this burgeoning relationship is that Africans are provided with an alternative approach towards economic growth backed by Beijing consensus. The rise in the middle class across African countries because of available choices of modes and means of production posed by the Chinese model of development. This pursued African leaders to be boundless of any constraints and experience 'paradoxical' economic growth, without any sense of accountability. According to Moyo, the political economist of Zambia, Africa has two chosen among two contrasting models of development: one posed by the United States and the West which is democratic politically, and economics carried by private capitalism, and on the other hand Chinese nondemocratic model along with state capitalism. Each model propagates income inequality.
To the African leaders, the Chinese sponsored model pleased most apparently, due to its non-interference approach into the domestic peculiarities and as claimed by the ‘Chinese Communist Party’ ideologically their business deals and recipient countries internal matters are strictly compartmentalized. The other consequential aspect of Chinese engagement in the continent includes the collapse of local industries and manufacturing, ecological disharmony, non-compliance of labor standards with local labors, crony-capitalism, encouragement to authoritarian regimes, exclusive emphasis on exploring natural resources and minerals, etc. One thing is for sure: to balance out any foreign intervention into the African development trajectory, African governments need to explicitly strengthen their political institutions and delivering mechanisms to ensure accountability and sustainable development. Else wise, Chinese presence might lead to economic growth, but without development and regional prosperity.

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