



# China's Global Influence: Perspectives and Recommendations



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# 7 China in Africa: Opportunities, Challenges, and Options

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1 The views and recommendations expressed in this chapter are those of the authors and do not necessarily reflect the policy or position of the Africa Center for Strategic Studies, US Department of Defense, or US Government.

## INTRODUCTION

The People's Republic of China's (PRC) diplomatic, economic, and security engagements with Africa have deepened since the turn of this century. The PRC and private Chinese firms, many of them backed by central and local governments, are visiting Africa more frequently, while foreign direct investment (FDI) and development assistance are trending upward.<sup>2</sup> In addition, growing People's Liberation Army (PLA) engagement with African countries and regional institutions is evidenced by increased security assistance, consistent support for peacekeeping initiatives, and a growing military footprint. Understanding the geo-strategic implications of these developments requires a careful analysis of four key questions. Does the recent acceleration constitute a trend? How much influence does the PRC derive from these engagements? How do African countries perceive recent developments? How do Beijing's interventions compare to those of Africa's other external partners?

This chapter starts with a strategic analysis of the evolution of China-Africa relations to unpack the drivers of this relationship. While it is true that China has had a long-standing relationship with Africa and tends to play the long game, the historical overview also highlights important transactional dimensions. Chinese officials often make short-term decisions based on their national self-interest or policy adjustments. Meanwhile, African governments are becoming more selective and circumspect as pressure grows from African civil society, academics, and private sector leaders for more equitable deals with the Chinese that enhance transparency, eliminate corruption, and avoid unsustainable debt.

While many African countries acknowledge China's role in critical areas, like infrastructure development and peacekeeping operations, some have become wary of potential downsides of dependency, dumping, security arrangements that compromise human rights, and onerous debt. Increasingly, Chinese involvement is being evaluated within the context of the roles, activities, and relative costs of opportunities provided by other development partners. Consequently, in Africa, any analysis of the implications of Chinese engagements must include a broader discussion of other external partners.

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<sup>2</sup> For purposes of this chapter the terms People's Republic of China (PRC) and China are used interchangeably.

## EVOLVING HISTORICAL TRENDS

Historical records of China-Africa relations date back fourteen centuries to the early years of the Tang dynasty when merchants from China and Eastern Africa traded in porcelain, silk fabric, ivory, gold, silver, and wildlife among other commodities.<sup>3</sup> Vibrant trade was established along the ancient Silk Road that eventually led to the establishment of formal diplomatic relations with ancient Egyptian, Ethiopian, and Somali kingdoms in the 7th and 8th centuries.<sup>4</sup>

The China-Africa relationship evolved in many significant ways (as documented in Table 1 on page 108) but three things have remained constant in recent decades. First, the relationship has always been driven by internal political dynamics in China. Records show that China-Africa relations expanded during periods of prosperity and stability in China and declined during periods of domestic turmoil.<sup>5</sup> Second, China, has long sought alliances with African countries for economic, security, and diplomatic reasons. African diplomatic support has been crucial to China because African states hold the most votes as a single bloc at United Nations (UN) institutions and other multilateral bodies. Third, the goal of the “Great Rejuvenation of the Chinese Nation” (*zhōnghuá mínzú wěidà fùxīng*; 中华民族伟大复兴) is a defining feature of the PRC’s accelerated Africa engagement. Africa in recent years has emerged as an important node in China’s One Belt, One Road initiative (OBOR; 一带一路), an ambitious program to develop strategic trade corridors and infrastructure globally.<sup>6</sup>

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3 John Shen, “New Thoughts on the Use of Chinese Documents in the Reconstruction of Early Swahili History,” *History in Africa* 22 (January 1995): 349-358.

4 Xinru Liu, *The Silk Road in World History* (London: Oxford University Press, 2010).

5 Christopher Alden and Ana Cristina Alves, “History and Identity in the Construction of China’s Africa Policy,” *Review of African Political Economy* 35, no. 115 (2008): 43-58.

6 The editors have chosen to conform to the “One Belt, One Road” formulation of the initiative as initially propagated and as it is still discussed in Chinese language documents. For a complete explanation of this decision, see the introduction to this volume, p. 9.

**Table 1. A Brief Historical Overview of China-Africa Relations**

Year(s)	Activity	Implications
618-907	Trade during Tang dynasty.	Commercial relations established. Egypt, Ethiopia, and Somalia had envoys in China.
960-1644	Trade expansion from the early-Song through the mid-Ming dynasties.	China is the preeminent global maritime power. Maritime contacts expanded to modern-day Kenya, Tanzania and Mozambique.
1405-1433	Seven voyages by Ming Admiral Zheng He.	Recurrent visits to Kilwa, Lamu, Malindi, Mogadishu, Mombasa, and Zanzibar.
1628-1644	Internal strife within the Ming Court.	Maritime fleet dismantled. Foreign expansionism and trade decreased. Africa contacts dwindled progressively. China turns inward.
1912	Collapse of the Qing dynasty leads to civil war.	China's self-isolation from the world continues. Africa contacts minimal.
1949	People's Republic of China founded.	Diplomatic and trade relations renewed. Africa contacts slowly revived.
1955	Bandung Conference is inaugurated.	Maoist struggle for the global South initiated. Contemporary China-Africa diplomacy launched.
1955-1980	Active support for Africa's independence and anti-apartheid struggles.	Over USD150 million in military aid is provided. Attendance at Afro-Asia People's Solidarity Conferences rose from 6 to 50 African countries. Contemporary China-Africa military diplomacy launched.
1970	Financed USD150 million Tanzania-Zambia railway.	China's first mega-project. Symbolic South-South cooperation. Contemporary China-Africa infrastructure diplomacy launched.

1990s	Deng Xiaoping “Reform and Opening Up” breaks with Maoist tradition.	Economic reforms and regime security promoted. Contemporary China-Africa commercial diplomacy launched.
1999	Jiang Zemin sanctions the “Go Out” policy.	China’s foreign engagements accelerate and intensify, including in Africa. Regime “stability” becomes an important hedging strategy.
2000	Forum for China Africa Cooperation (FOCAC) is launched.	China institutionalized a revamped Africa policy. Commercial diplomacy intensifies.
2015	Decision to commit 8,000 troops to a UN Standby Force and USD100 million in military assistance to the African Union over five years.	China broadens its engagement in Africa. Deployments deepen ties with regional and continental organizations, and support China’s expanding foreign policy interests.

China’s strategy in Africa during the 1960s and 1970s was also shaped to a significant degree by the Sino-Soviet conflict. Clashes between Chinese and Soviet-backed African movements were common and continued long after independence. Nevertheless by 1985 China had firmly established itself as an important player in Africa’s anti-colonial and anti-apartheid struggles becoming an ideological mentor to many newly independent African states.

Following his consolidation of power in 1978, Deng Xiaoping adopted a more market-determined economic growth model and launched an aggressive drive to develop a strong middle class society. Known as “Reform and Opening Up” (*Gǎigé kāifàng*, 改革开放), this policy saw the PRC move away from “leading the developing world and fighting Western imperialism” to building pragmatic relationships with the West.<sup>7</sup> Africa decreased in importance to Chinese foreign policy as

7 Despite increasingly common usage in the literature, the editors have encouraged the authors not to use the term “state-capitalism” to describe the PRC’s economic system. For the editors’ explanation of why this term should not be used, please see the Introduction, p 10. The authors of this chapter encourage a full exploration of the issue and direct the reader to Joshua Kurlantzick, *State Capitalism: How the Return of Statism Is Transforming the World* (New York: Oxford University Press, 2016).

Beijing turned its attention to securing Western FDI and advanced technologies, none of which the continent could provide.

The international backlash over the PLA's crackdown on student protestors in Tiananmen Square, coupled with an acute sense of threat within the Chinese Communist Party (CCP) following the collapse of the Soviet Union quelled Beijing's international leadership ambitions. The United States (US) froze all military and technological contact with China and imposed sanctions.<sup>8</sup> Sensing China's vulnerabilities, Deng adopted the doctrine of *tāoguāng yǎnghuì* (韬光养晦) which required China to "keep a low profile, bide our time, and never claim leadership."<sup>9</sup> This policy demanded the continued economic reforms at home, a non-confrontational approach abroad, and deterring hostile coalitions from outside that could destabilize or even overthrow the CCP. With this in mind Deng refused several invitations by African countries to reassert China's leadership of Global South causes. The impact on China-Africa relations was immediate. China's exports to Africa fell sharply, aid levels plummeted, and diplomatic overtures waned.

From 1999, however, the China-Africa relationship returned to an upward trajectory when President Jiang Zemin issued a directive known as "Go Out" (*Zōuchūqū Zhànliè*; 走出去战略) to encourage Chinese companies to exploit opportunities in emerging and developed markets. Africa received increased attention because it was seen as a "high dividend, high risk" market with minimal competition from other powers.

In establishing themselves in Africa, Chinese companies cultivated relationships with local politicians and elites through personal ties, favors, and informal hierarchies. This is known in Chinese culture as *guanxi* (关系), which is essentially the Chinese version of the idiom "you scratch my back and I'll scratch yours."<sup>10</sup> The practice has allowed Chinese state-backed industrialists and entrepreneurs to make inroads in the largely under-regulated African political and business environment where personal ties often trump regulations and accountability.<sup>11</sup>

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8 David Skidmore and William Gates, "After Tiananmen: The Struggle over US Policy toward China in the Bush Administration," *Presidential Studies Quarterly* 27, no. 3, The Presidency in the World (Summer 1997): 514-539.

9 Qingmin Zhang, "Taoguang Yanghui or Not? China's Discourse on Foreign Policy Strategy," *China Files*, 26 April 2011, <http://www.china-files.com/thinkinchina/sixth.html>.

10 Chao C. Chen, Xiao-Ping Chen, and Shengsheng Huang, "Chinese *Guanxi*: An Integrative Review and New Directions for Future Research," *Management and Organization Review* 9, no. 1 (March 2013): 167-207.

11 J.R. Mailey, "The Anatomy of the Resource Curse: Predatory Investment in Africa's Extractive Industries," Africa Center for Strategic Studies, Special Report no. 3, 31 May 2015, <https://>

## RECENT ECONOMIC AND INVESTMENT TRENDS

China's recent economic and investment in Africa are directed towards supporting OBOR infrastructure projects. Unlike the 1980s and 1990s when Chinese firms sought exclusive control of their investments (particularly hydrocarbons), recent years have seen a move towards partnerships.<sup>12</sup> Increasingly, the search for partners appears to be a risk-pooling strategy (particularly by the Chinese private sector). Some partnerships have been the result of new laws and regulations in African countries, that seek to loosen investment regulations to attract more FDI. These include tax exemptions, holidays and breaks, matching funds, and enhanced processing of visas and permits, among other incentives.

Another noteworthy transition is that the Chinese investment portfolio in Africa is no longer dominated by natural resources. Estimates in 2017 suggest that manufacturing (31%), services (25%), trade (22%), and infrastructure (15%) were most important.<sup>13</sup> China increasingly views Africa as a growing market for Chinese goods and services. There has been a gradual shift from a predominantly extractive, natural resource-driven trading relationship.

The role of the Chinese private sector is also growing. According to a 2017 study by McKinsey, only 16 percent of Chinese investments in Africa were by state-owned enterprises; the vast majority were by private Chinese firms.<sup>14</sup> Although most Chinese firms source financing from state-owned banks and export credit agencies, the increased private sector involvement suggests a trend towards more nuanced commercial diplomacy, a greater focus on profitability, and less risk tolerance in the future. Questions however remain about the nature of the Chinese private sector and how it interacts with the government and ruling party.

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[africacenter.org/publication/the-anatomy-of-the-resource-curse-predatory-investment-in-african-extractive-industries/](http://africacenter.org/publication/the-anatomy-of-the-resource-curse-predatory-investment-in-african-extractive-industries/).

12 Richard Schiere, "China and Africa: An Emerging Partnership for Development?— An Overview of Issues," African Development Bank Group, *Working Paper Series*, no. 125, May 2011, <https://www.afdb.org/en/documents/document/working-paper-125-china-and-africa-an-emerging-partnership-for-development-an-overview-of-issues-23693>.

13 David G. Landry, "Comparing the Determinants of Western and Chinese Development Finance Flows to Africa," China Africa Research Initiative, Policy Brief no. 29, 2018, <https://static1.squarespace.com/static/5652847de4b033f56d2bdc29/t/5c117edd758d4648f78db670/1544650461960/PB29-Landry-DevelopmentFinance.pdf>.

14 Kartik Jayaram, Omid Kassiri, and Irene Yuan Sun, "The Closest Look Yet at Chinese Economic Engagement in Africa," McKinsey and Company report, June 2017, <https://www.mckinsey.com/featured-insights/middle-east-and-africa/the-closest-look-yet-at-chinese-economic-engagement-in-africa>.



In the late 1990s the CCP issued regulations calling upon private enterprises with three or more party members to establish a branch (*dǎng zǔhìbù*; 党支部) within their corporate and decision-making structures.<sup>15</sup> This push accelerated after OBOR got underway in 2013 in line with CCP requests for “comprehensive party building in the private sector,” including foreign companies operating in the PRC. By 2016, the ratio of private enterprises that had CCP branches had risen to almost 70 percent.<sup>16</sup> This has blurred the lines between private and public sector decisions, making it increasingly difficult to distinguish between public and private Chinese investments with any degree of accuracy.

The McKinsey report also suggests local labor is being increasingly integrated into value chains related to Chinese investment. It found that there were more than 10,000 Chinese enterprises in Africa and 89 percent of their workers were local hires (the figure drops to around 40 percent at the managerial level). The report implies that Chinese firms are increasingly complying with domestic regulations and responding to some African concerns, such as participation of the domestic labor force, technology and skills transfers, and adherence to internationally-recognized labor standards.

These investments are part of broader bilateral packages and do not always benefit from rigorous project assessments and oversight that meet African and international standards. When deals lack rigorous oversight and public engagement, loan quality is badly affected and the likelihood of a default greatly increased.<sup>17</sup> A number of other risks (political turmoil, foreign currency fluctuation, commodity price volatility, and violent unrest) could also hinder the African countries’ ability to service their Chinese loans.

## EXTERNAL DEBT

Africa’s total external debt (public and private) is around USD415 billion. With an estimated debt stock of USD132 billion in official and commercial loans, China is Africa’s single largest creditor na-

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15 Catherine Tai, “China’s Private Sector Is under Siege,” *Diplomat*, 22 December 2018, <https://thediplomat.com/2018/12/chinas-private-sector-is-under-siege/>.

16 Zhang Lin, “Chinese Communist Party Needs to Curtail Its Presence in Private Businesses,” *South China Morning Post*, 25 November 2018, <https://www.scmp.com/economy/china-economy/article/2174811/chinese-communist-party-needs-curtail-its-presence-private>.

17 Lynsey Chutel, “No, China Is Not Taking over Zambia’s National Electricity Supplier. Not Yet, Anyway,” *Quartz Africa*, 18 September 2018, <https://qz.com/africa/1391111/zambia-china-debt-crisis-tests-china-in-africa-relationship/>.

tion.<sup>18</sup> Approximately, 32 percent of external African government debt is owed to China. However, 35 percent of Africa's total debt is owed to multilateral institutions such as the World Bank and another 32 percent to private lenders, including Chinese ones.<sup>19</sup> According to the United Kingdom-based Jubilee Debt Campaign, 55 percent of all interest payments go to private firms compared to only 17 percent to Chinese government lenders. Of greater concern than who holds the loans is debt vulnerability, defined as national debt greater than 50 percent of Gross Domestic Product (GDP). Of the 17 African nations considered under debt stress or at risk of such stress by the International Monetary Fund (IMF) in January 2019, Chinese debt is a factor in only three: Djibouti, Zambia, and Cameroon.<sup>20</sup> Even in African countries where China is the largest single creditor, the majority of Africa's debt is held by multilateral and commercial creditors.

Does Chinese debt pose a systemic risk to African countries? Continentally, the answer is not yet. However, it is almost a foregone conclusion that more Chinese debt will be taken on as more and more OBOR projects come on line. If African governments continue avoiding public accountability in their dealings with the PRC and private Chinese corporations, and if deals continue to be signed on unfavorable terms, then Chinese debt could become a major issue.

There is some indication that some Chinese investors are likely to seek contractual or market-based redress. In 2018 the China Export and Credit Insurance Corporation (the financiers of the Ethiopia-Djibouti railway) decided to sell its debt to the Hong Kong Mortgage Corporation, who would eventually securitize or repackage them for sale to investors.<sup>21</sup> If successful, this Corporation will be used to buy a diverse portfolio of infrastructure debts in Africa. This market-based approach is different from the past, when Chinese state-owned or state institutions assumed responsibility for the debt and subsequently undertook endless

18 Elvis Mboya, "Rethinking Africa's \$124 Billion Debt to China, Ahead of Beijing's September Summit," *Investigative Africa*, 26 August 2018, <http://iaafrica.com/rethinking-africas-120-billion-debt-to-china-ahead-of-beijings-september-summit/>.

19 Peter Fabricius, "Indebted Africa Returns to the International Monetary Fund," *ISS Today*, 20 September 2018, <https://issafrica.org/iss-today/indebted-africa-returns-to-the-international-monetary-fund>.

20 Larry Madowo, "Should Africa Be Wary of Chinese Debt?" *BBC News*, 3 September 2018, <https://www.bbc.com/news/world-africa-45368092>.

21 Allan Olingo, "China Plans to Sell off Its African Infrastructure Debt to Investors," *Daily Nation*, 5 November 2018, <https://www.nation.co.ke/news/world/China-plans-to-sell-off-its-African-infrastructure-debt/1068-4837516-g5f4j3/index.html>.

rounds of rescheduling. The inexorably slowing Chinese economy suggests the Chinese government is less likely to underwrite the full value of private sector liabilities, as it did in the past. However, there are fears that the securitization of debt could increase African countries' indebtedness as it would encourage them to borrow more.

Loans extended by the Chinese government are likely to be treated differently. They will likely be forgiven in exchange for diplomatic and security assurances from debtors, as China has done in the past. The upside is that China has been much more selective in its choice of projects than it has been in the past. Provided that African countries can follow prudent policies, investments in some countries are likely to succeed and contribute to enhanced economic productivity.

Africa's citizens are also voicing concern about the dearth of transparency and opaqueness of Chinese loans to various governments as recent media revelations in Kenya and Zambia have shown. Beijing should be concerned about the debt sustainability of its African partners, especially as the pace of its economic growth slows and world commodity prices slide downward due to reduced global demand.

#### **FORUM ON CHINESE AFRICAN COOPERATION**

Established in 2000 the Forum for China Africa Cooperation (FOCAC) has provided greater focus to China's relationship with Africa. In between its triennial summits, around 33 agencies oversee the implementation of decisions. Several committees, from working level to ministerial level, discuss initiatives ranging from trade and investments to institution building and security assistance. The seventh FOCAC hosted in Beijing in 2018, was attended by more Africa heads of state and government than attended the UN general assembly that year. From relatively humble beginnings, FOCAC has grown to become an important gathering of African heads of state; second only to the African Union. Presided over by the Chinese president, FOCAC affords African countries an opportunity to discuss, not just requests for support, but contemporary foreign policy and global challenges. Most FOCAC attendees report that they feel valued and listened to, and generally come away from the discussions with tangible and timely commitments.

**Table 2. Recent Evolution of FOCAC Declarations<sup>22</sup>**

	2000	2015	2018
Word Count	Approx. 1,700	Approx. 2,700	Approx. 2,900
Ideology	Five Principles of Peaceful Coexistence	Five Pillars	Five Nos <sup>23</sup>
Development-Security Nexus	Millennium Development Goals not mentioned	Sustainable Development Goals mentioned	Sustainable Development Goals are central
Diplomacy	Veiled reference to international diplomacy	Explicit reference to One China policy and desired reform of international diplomacy (UNSC)	African support for One China policy, China reunification and China's efforts to solve maritime disputes
Development Themes	Vague reference to economic development	Mention climate change, industrialization and Ebola pandemic	Mention climate change, industrialization and migration
Global Ambitions	Not mentioned	Explore China-Africa synergies with Silk Road initiative	OBOR is central to China-Africa relations
Trade	Vague mention	Oppose protectionism. Reform International finance	Call for WTO-centered multilateralism; support for Africa Continental Free Trade Agreement
Security Cooperation	Not mentioned	Support for peacekeeping missions and collective security mechanisms in Africa	Support predictable UN funding for peace support operations; support the operationalization of the African Standby Force

22 Information for this table is culled from the respective FOCAC declarations, which could be found here: [https://www.focac.org/eng/ljhy\\_1/dyjbzjhy\\_1/CI12009/](https://www.focac.org/eng/ljhy_1/dyjbzjhy_1/CI12009/).

23 The Five Nos, which represent a repudiation of Western principles, partnerships and strategy

African Protocols	Not mentioned	Support for African Union's Agenda 2063	Support for African Union's Agenda 2063; strong synergies between OBOR and continental goals and agreements
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As Table 2 (above) shows, China has used FOCAC as an effective economic, foreign policy, and signaling tool. Not only have the FOCAC communiqués become more substantive and less perfunctory, they have gradually included themes that resonate in African capitals (principally, the Sustainable Development Goals, and peacekeeping operations) as well as in Beijing (the One China policy). FOCAC has also been the venue where China signals trends in its development and security assistance to Africa.

Until 2018, there had been a tradition of significantly increasing Chinese development assistance and investment.<sup>24</sup> Many eyebrows were therefore raised when the 2018 overall envelope of USD60 billion over three years was the same as the 2015 pledge (researchers at Johns Hopkins University suggest that the real figure for 2015 is USD50 billion).<sup>25</sup> This represents China's gradual shift from offering grants and concessional loans, to providing loans on commercial terms. Another noticeable trend has been the shift from emphasizing China's principles of international engagement, to the 2018 communiqué which was a thinly veiled repudiation of Western values (as intimated in Table 2). China purports to offer African countries an alternative philosophy.

## DIPLOMATIC AND INTERNATIONAL RELATIONS

From a global perspective, Africa does not occupy the same level of importance in China's foreign policy priorities as Southeast Asia, Latin America, or the US. Through much of the second half of the 20th Century, the Chinese foreign policy outlook on Africa focused on gaining

are explained here: [http://www.xinhuanet.com/english/2018-09/06/c\\_137447556.htm](http://www.xinhuanet.com/english/2018-09/06/c_137447556.htm).

24 Paul Nantulya, "Grand Strategy and China's Soft Power Push in Africa," Africa Center for Strategic Studies, Spotlight, 30 August 2018, <https://africacenter.org/spotlight/grand-strategy-and-chinas-soft-power-push-in-africa/>.

25 Deborah Brautigam, "China's FOCAC Financial Package for Africa 2018: Four Facts," blog, China Africa Research Initiative, 3 September 2018, <http://www.chinaafricarealistory.com/2018/09/chinas-focac-financial-package-for.html>.

international recognition. Joining the post-independence, anti-colonialist movement in Africa of the 1960s, Beijing cast itself as a partner in the “South-South” dialogue and the Non-Aligned Movement. Chinese aid in this context was leveraged to support its “One China” policy and gain broader international recognition. Success was due not only to traditional “checkbook diplomacy,” but by the attractiveness of trade. Minimal Western (read US) concern was another contributory factor. Today, only one African country, Eswatini (formerly Swaziland), maintains formal diplomatic relations with Taiwan.

Whereas the focus of the past was to widen the PRC’s international legitimacy, the focus today is on leveraging all elements of national power to support strategic objectives, what Chinese leaders refer to as Comprehensive National Power (*zōnghé guó lì*, 综合国力).<sup>26</sup> Therefore, Chinese diplomacy is focused on supporting economic, military, and commercial interests across the continent. China’s high economic growth rates and rising personal incomes have dramatically increased its resource requirements. Africa has become China’s second largest source of petroleum with Angola, the Republic of the Congo, and Sudan as principal suppliers of African crude. Similar demand for African copper, iron, steel, and other minerals have spurred a rapid increase in exports to China. Supporting this growth in commodity exports has been a dramatic increase in Chinese investment. Only ten of Africa’s 54 countries make up the bulk of Chinese investment and trade: Ethiopia, Kenya, Angola, Sudan, South Sudan, Djibouti, South Africa, Algeria, Nigeria, Cote d’Ivoire, and the Republic of the Congo.<sup>27</sup> In each of these countries the purpose of Chinese engagement is different. For example, while Ethiopia, Algeria, South Africa, and Nigeria offer growing markets for Chinese exports and manufacturing investment, China’s relationships with Angola, Zambia, Sudan, and Congo reflect its need to source essential commodities (oil and copper).

The USD200 billion AU headquarters in Addis Ababa, built and fully funded by China as a “gift” to Africa, is emblematic of China’s adeptness at employing grand gestures to generate political support. In May 2017, China signed an agreement with the Economic Community of West African States (ECOWAS) to build its new headquarters in Abuja, Nigeria. In September, construction of a logistics depot for the

26 Ni Lexiong, *Zhanzheng yu wenhua chuantong: dui lishi de ling yi zhong guancha* [War and Cultural Tradition: Another Perspective on History], (Shanghai: Guji Chubanshe, 2000).

27 “Data: Chinese Investment in Africa,” China Africa Research Initiative, data report, May 2017, <http://www.sais-cari.org/chinese-investment-in-africa>.

Southern African Development Community Standby Force got underway with Chinese funding and expertise.

China has also used “soft tools” to promote positive views among African communities. Africa hosts about 70 “Confucius Institutes” spread across 40 countries, China’s answer to the US State Department’s “American Corners.”<sup>28</sup> These institutes have popularized the learning of Chinese language and culture on the continent and quadrupled the number of Africans studying in China. In 2017 China surpassed the US and United Kingdom as the top destination for Anglophone African students.<sup>29</sup>

## SECURITY COOPERATION TRENDS

The PLA’s military and security activities in Africa follow the larger shift in Chinese policy from ideologically rooted relations to pragmatic engagement. During the 1960s and 1970s Beijing limited its security assistance to countries governed by former liberation movements and socialist governments. Today, it has security and military relationships with countries of all ideological stripes, including those with deep ties to the US such as Kenya, Senegal, Botswana, and Liberia.

The most visible aspect of China’s security and military profile is arms sales. Data from the Stockholm International Peace Research Institute shows that China is now the top supplier of weapons to sub-Saharan Africa, accounting for 27 percent of the region’s imports between 2013 and 2017.<sup>30</sup> This represents a 55 percent increase between 2008 and 2012. Algeria, Angola, Gabon, Mozambique, Nigeria, South Sudan, and Uganda are among the 22 African countries that have imported Chinese weapons in recent years. China has also diversified from sales in small arms and light weapons to tanks, armored personnel carriers, maritime patrol craft, aircraft, missiles, unmanned aerial vehicles, and artillery systems. Beijing is also building defense institutional capabilities. China’s State Administration for Science, Technology, and Industry for National Defense (SASTIND), for instance, has bilateral agreements with 45 African countries covering the sharing of defense technologies and build-

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28 Abhishek G. Bhaya, “Confucius Institutes a Bedrock of China’s Growing Cultural Ties with Africa,” *CGTN Report*, 22 August 2018, [https://news.cgtn.com/news/3d3d514f346b544e79457a6333566d54/share\\_p.html](https://news.cgtn.com/news/3d3d514f346b544e79457a6333566d54/share_p.html).

29 Paul Nantulya, “Grand Strategy and China’s Soft Power Push in Africa.”

30 Salem Solomon, “Deepening Military Ties Solidify China’s Ambitions in Africa,” *Voice of America*, 15 July 2018, <https://www.voanews.com/a/deepening-military-ties-solidify-china-ambitions-in-africa/4483010.html>.

ing defense industries.<sup>31</sup> Sudan, Uganda, and, more recently, Kenya have been enthusiastic customers of this type of Chinese assistance.

The 2019-2021 China-Africa Action Plan (CAAP) sets the broad policy framework for China's military and security activities in Africa.<sup>32</sup> Three new mechanisms, the China Africa Defense Forum, the China Africa Law Enforcement and Security Forum, and the China Africa Peace and Security Forum provide avenues for regular consultation between Chinese and African security sector leaders to identify priorities for implementation. Since 2018, about 50 new security assistance programs have been established, in part to build local capacity among China's African security partners and address growing security risks to Chinese investments and personnel.<sup>33</sup> Beijing's central concern is that the rapid expansion of investments and commercial activity around the world is exposing Chinese citizens and assets to the threats of transnational terrorism, civil unrest, and anti-Chinese sentiment.

In 2015 the PRC issued a new Defense White Paper and a Counterterrorism Law (Order No. 36 of the President of the PRC) that allows, for the first time, the overseas deployment of the PLA and its Special Operations Forces, the PLA Navy (PLAN), and the People's Armed Police (PAP).<sup>34</sup> Under this law the PLA opened its first overseas military base in Djibouti in 2017, which primarily supports China's naval deployments in support of peacekeeping operations in Mali, Sudan, and South Sudan, humanitarian assistance in the Horn of Africa, and international counterpiracy patrols in the Gulf of Aden.

During the first half of 2018, the PLAN's 27th and 28th anti-piracy task forces made port calls to Cameroon, Gabon, Ghana, and Nigeria in what appear to be efforts to more closely align China's military activities to the expansion of the OBOR to the West African coast.<sup>35</sup> The

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31 Jon Grevatt, "China Deepens Defense Engagement in Africa," *Jane's Defense Weekly*, 3 July 2018, <https://www.janes.com/article/81483/china-deepens-defence-engagement-in-africa>.

32 Paul Nantulya, "Chinese Hard Power Supports Its Growing Strategic Interests in Africa," Africa Center for Strategic Studies, Spotlight, 17 January 2019, <https://africacenter.org/spotlight/chinese-hard-power-supports-its-growing-strategic-interests-in-africa/>.

33 Helena Legarda and Meia Nouwens, "Guardians of the One Belt One Road: The Internationalization of China's Private Security Companies," Mercator Institute for China Studies, China Monitor, 16 August 2018, <https://www.merics.org/en/china-monitor/guardians-of-belt-and-road>.

34 Joel Wuthnow, "China's Overseas Basing: Will the PLA Follow the Renminbi?" *National Interest*, 17 February 2018, <https://nationalinterest.org/feature/chinas-overseas-basing-will-the-pla-follow-the-renminbi-24551>.

35 Michael Kovrig, "China Expands Its Peace and Security Footprint in Africa," *International Crisis Group*, 24 October 2018, <https://www.crisisgroup.org/asia/north-east-asia/china/china-expands-its-peace-and-security-footprint-africa>.



China Harbor Engineering Company signed an agreement in 2018 with Nigeria to construct its first deep water port in Lekki.<sup>36</sup> In September an additional agreement was signed that will see the Guangzhou Port Authority work with its Nigerian counterpart to build the capacity of Nigeria's ports in management, logistics, and port operations. Chinese firms are also building ports in Ghana and Cameroon.<sup>37</sup>

China has stepped up its engagements with the African Union and Africa's regional economic communities. Its strategy in this regard prioritizes the operationalization of the African Standby Force (ASF) and the African Capacity for Immediate Response to Crises (ACIRC). In 2017, the China-Africa Peace and Security Fund committed USD100 million towards building the ASF and developing African states' capabilities to deploy it to crisis situations. In February 2018, the fund disbursed USD25 million to the ASF's logistics base in Cameroon and a further USD30 million was extended to Tanzania's Chinese-funded military training center which is expected to play a role in capacity building for the East African Standby Force.<sup>38</sup>

## AFRICAN PERSPECTIVES

China's growing role in Africa has largely been welcomed across the continent. A 2015 attitudes survey by the Pew Research Center found Africans more favorably disposed toward the PRC than any other continent, with majorities in all African countries surveyed expressing a positive view of China.<sup>39</sup> Seven in ten in Ghana, Ethiopia, Tanzania, Burkina Faso, Nigeria, Senegal, and Kenya hold favorable views of Beijing. A 2016 Afrobarometer survey conducted in 36 African countries found that 63 percent of respondents thought China's economic and political influence was positive.

Two main factors explain China's generally positive reputation in Africa. First, Chinese investment in infrastructure resonates well with Africans because it is a core priority for virtually all African countries as spelt out in the China-AU Strategic Compact and the AU's Agenda 2063.

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36 Zhou Pingjian, "China, Nigeria to Boost Bilateral Win-Win Cooperation," *People's Daily*, 7 September 2018, <http://en.people.cn/n3/2018/0907/c90000-9498465.html>.

37 Pauline Bax, "Chinese-Built Port Evokes Dreams of El Dorado in Cameroon," *Bloomberg*, 29 August 2018, <https://www.bloomberg.com/news/features/2018-08-29/china-stakes-its-claim-on-west-africa>.

38 Michael Kovrig, "China Expands Its Peace and Security Footprint in Africa."

39 "Global Indicators Database," *Pew Research Center*, <http://www.pewglobal.org/database/indicator/24/group/5/>.

China has capitalized on this by presenting OBOR as a boon for both sides. Second, African countries are far-removed from China's periphery and have not experienced or witnessed Chinese military aggression against an African nation.

Unsurprisingly, positive views about China in Africa are highest among governments and regional organizations such as the AU and its security communities. China's engagements with African leaders and officials are highly personalized and do not demand adherence to established norms and values, such as accountability and respect for human rights. It also provides them with an "alternative" to Western lenders, which is a highly popular narrative among African leaders.

However, opinions about the PRC are not uniform on the continent. Views about China among private sector leaders are more nuanced. These ties have been weak as Beijing prefers to secure business opportunities directly with host governments through relationships beyond the reach of public and private sector accountability. Chinese companies also enjoy preferential access to government decision-makers which allows them to win lucrative contracts at the expense of suitably-qualified local firms. This sometimes leads to conflicts between African and Chinese contractors, with the former pushing their governments for greater accountability in awarding contracts.

African private sector leaders have begun to use their influence to draw attention to Africa's growing indebtedness to Chinese lenders. Industrialists like Jimnah Mbaru (former director of the Nairobi Stock Exchange), Aly Khan Satchu (founder of Rich Management Group and a leading Kenyan investment banker), Diana Layfield (chief executive officer of South Africa's Standard Bank), Ramathan Ggoobi (a Kampala-based financial analyst), and many others, have added their voices to the call for greater public awareness of Chinese investment practices.

African civil society and grassroots organizations are perhaps the least enthusiastic about China's engagements in Africa. Beijing has historically viewed African civil society with suspicion, and shares the dominant view propounded by African governments that civil society organizations are a front for Western interests, destabilization, and even regime change. China's civil society engagements therefore tend to be restricted to institutions linked to ruling parties (such as trade unions, youth and women's leagues, and state media).

The ability of civil society organizations to mobilize public awareness and influence policy changes on China-Africa relations varies across the continent. In South Africa, the powerful Congress of South

African Trade Unions (COSATU), a partner of the ruling African National Congress (ANC) alliance championed the adoption of anti-dumping legislation to protect local textile workers from the impact of cheap Chinese textiles. In Zambia, the Civil Society Initiative, a coalition of local civil society organizations, initiated an awareness campaign in the media and through protests that forced the National Assembly to hold a debate on Zambia's debt burden to China. This activism was prompted by rumors that Zambia had surrendered control of its power utility to China after defaulting on a loan. In Ghana, a coalition of environmental activists has organized several petitions against a multi-million dollar deal that would see a Chinese company mining bauxite in an environmentally sensitive region.

### SOME POLICY CONSIDERATIONS

Over the next few decades, Africa's population will double to over 2 billion people.<sup>40</sup> By the year 2050, one in four human beings living on the planet will be African. The majority of Africans will be urbanized. From an economic growth perspective, a young, urbanized population is an important ingredient for higher levels of economic growth, provided investments in infrastructure, human capital, and social services move in parallel with these demographic changes. To meet the demands of a population seeking employment, education, and services, African countries will need to invest significantly over the next 10 years.<sup>41</sup> This is Africa's existential challenge. Supporting African countries as they seek to address these challenges will require careful consideration of the following:

- **External assistance must augment, and not supplement domestic African resources.** While domestic resources will meet some of these requirements, external assistance and foreign investment will be required. This offers an opportunity for closer engagement between Africa and its international partners, not least the US and PRC. At the same time, Africa's investment gaps create opportunities for strategic synergies with other complementary projects.

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40 Gilles Pison, "There's a Strong Chance a Third of All People on Earth Will Be African by 2100," *Quartz Africa*, 10 October 2017, <https://qz.com/africa/1099546/population-growth-africans-will-be-a-third-of-all-people-on-earth-by-2100/>.

41 Rene Vollgraaff and Ntando Thukwana, "Africa Development Bank Seeks to Plug Africa \$170 Billion Infrastructure Needs," *Bloomberg*, 8 May 2018, <https://www.bloomberg.com/news/articles/2018-05-08/afdb-seeks-funds-to-plug-africa-170-billion-infrastructure-gap>.

- **FDI and development assistance must be mutually supportive.** There are opportunities for the US to support such initiatives as part of its Africa policy to ensure that investment and assistance flows can be complementary and mutually supportive. The US can also look to bolstering international financial institutions to ensure that their activities reinforce investment climates that attract and sustain private-sector led growth, while ensuring debt sustainability. A US-China strategic dialogue on sustainable and accountable investments and economic development could be one way through which the US might influence the PRC's investment practices to make them compatible with international standards.
- **Leverage the continent to build great power cooperation.** Beyond the economic and commercial, Africa is a region where strategic rivalry and competition between China and the US is at its lowest. This could be turned into an opportunity for closer diplomatic, development, and security cooperation aimed at addressing Africa's challenges in ways that enhance human and citizen security, promote political stability, and even good governance. Part of this discussion will undoubtedly involve efforts to understand differences in approach and how these might impact US and Chinese policy priorities in Africa.
- **Create opportunities for strategic cooperative dialogue.** Such a dialogue, co-chaired by the US, PRC and African Union, could address issues that underpin institutional resilience and accountable development in Africa. The US and China both have a strategic long-term interest in African countries that are democratic and accountable and pursue inclusive development with justice.
- **Pursue synergy, coordination and collaboration with multilateral organizations and initiatives.** Multinational institutions could support the longer-term investments African countries need by providing technical assistance and concessional finance. These institutions also subscribe to international debt sustainability mechanisms, which could help allay fears of unsustainable debt burdens in the future. Other multilateral infrastructure connectivity initiatives such as the Asia-Africa Growth Corridor, created by the AU and the governments of Japan and India, could be beneficial.

These economic, diplomatic, developmental, and security recommendations are not based on altruism or some naïve view of US-Chinese relations. They are posited to address the hard reality that, if left unaddressed, Africa's existential challenges of today will continue to hamstring development and prove catastrophic not only for the people of Africa, but for the individual and shared national interests of the US and China in the second half of this century.