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China

# China-Africa: harmful illusions

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**The object of fantasies, polemics and academic theses, China's presence in Africa raises many questions.**

Beneficial for the populations or yet another calamity that is hitting the continent? The sixty billion in unconditional aid and loans granted by Xi Jinping to Africa seems to answer this question positively. And yet....

## A south-south relationship...

Liberalism obliges Western government to pretend to rejoice in the Chinese presence in Africa, and then immediately warn African governments of the many risks such as debt, economic dependence, environmental degradation... that the Middle empire would bring to their countries. While Chinese officials insist on peer-to-peer exchange and "win-win" relations, criticizing the selfishness of Western countries, as one journalist from *People's Daily* points out: "At the moment, some countries have vigorously engaged in unilateralism, protectionism and commercial hegemony." [1]

In short, each criticizes the other's politics with arguments that are not so different in substance, which seems logical since Chinese politics in Africa, in fact and beyond rhetoric, is hardly different from that of Western countries.

Africa is essential for Beijing because it allows it to support its economic expansion by providing it with a significant share of the mining and oil products essential to its industrial activity. But Africa also allows it to diversify its sources of supply, and thus avoid relying exclusively on oil-exporting countries in the Middle East, considered strategic allies of the United States. The high commercial tensions between the two countries justify the Chinese strategists' precautions.

Today the world's second largest economy, China has also become the leading economic power in Africa in terms of trade volumes, based on imports of raw materials and exports of manufactured goods. In 2017, volumes amounted to \$170 billion, compared to \$48 billion for France.

## That looks like a north-south relationship

China obtains its oil supplies from Nigeria and Angola; mining products such as iron, manganese, cobalt, copper... come from Zambia, South Africa, the DRC and Congo-Brazzaville.

In parallel with these imports, China exports massively its manufactured products, often cheaper than those of Western countries, even if the quality is not always there.

While African and Chinese customers have strong similarities in terms of purchasing power, according to marketing experts, Africa also acts as a test area for products and serves as a launch pad for conquering Western markets, as has been the case for Huawei brand mobile phones, for example.

As we can see, China's and Africa's economic exchanges remain fundamentally based on the international division of labour, within which the African continent remains confined to its sole role as a supplier of raw materials, forcing it to import most of the manual goods invoiced. It is this legacy of a colonial past that China, although not the only one, only reinforces.

## Let a hundred illusions flourish

While official speeches do talk about skills transfer and industrialization, in reality, little is happening. The few manufacturing companies, particularly in Ethiopia, widely promoted as the first steps in Africa's economic development, play a more attractive role.

Indeed, Beijing is promising African governments that they could benefit from the relocation of some Chinese companies, and some believe in it, such as the Togolese dictator Faure Gnassingbé: "We know that there are tens of millions of jobs in China that are ready to be relocated. So all companies in China that are ready to be relocated are always welcome." [2]

But it is unlikely that this phenomenon will take shape, for reasons of cost and productivity: "Faced with wage increases, companies based in China can automate their production lines (as subcontractors Foxcon do) and those considering leaving coastal areas have a wide range of choices: Western China, Southeast Asia, Bangladesh and India are all possible destinations. A comparison by the World Bank shows that, with the exception of Ethiopia, African countries have lower productivity than China and Vietnam in labour-intensive production. An assessment of unit labour costs concludes that they are higher in Africa than in Indonesia, Bangladesh and Vietnam." [3]

Particularly as Chinese companies are far from being an example in the preservation of the environment or compliance with legislation. There are regular reports of violations of laws, and some companies are involved in smuggling on an industrial scale, particularly for logs. Chinese companies can easily compete with the Western multinationals Shell, Areva and Trafigura, which, in a few years, have managed to transform entire regions into industrial waste bins.

## Debt Made in China

China continues to boast of its contribution to the development of infrastructure in African countries. These infrastructures are above all an opportunity for African elites to enrich themselves and do not necessarily correspond to the economic and social needs of the populations, particularly when it comes to building stadiums, conference centres or presidential palaces as in Burundi, Mauritania, Sudan or Mozambique. Above all, however, these investments considerably increase the debts of African countries. In most cases, they are secured by the country's assets, which may be mines, ports, mining productions or oil concessions. The recent falls in commodity prices have therefore automatically increased the debt burden of African countries.

The result: *The International Monetary Fund (IMF) estimates that five sub-Saharan African countries are over-indebted and that nine others may soon join them. Kenya's debt has recently passed the 5 trillion shillings mark[43 billion euros] and 72% of this amount is owed to China. This spring, Moody's downgraded Kenya's rating. The situation is also critical in Djibouti. Its debt is equivalent to 84% of its GDP and Beijing holds 82%. Zambia and Congo-Brazzaville, for their part, have taken out opaque loans from Chinese companies, the details of which have not yet been disclosed. [...]*

Angola's debt to China is \$25 billion. The country's oil resources are used as a guarantee. In 2008, China granted a \$6 billion loan to the Democratic Republic of Congo in exchange for the right to operate several copper and cobalt mines. In Guinea, Beijing provided a \$20 billion credit line to the government, which enabled it to obtain aluminium concessions. [4]

In the end, it is the people who know the consequences, seeing themselves imposed policies of budgetary restriction while Beijing takes over the wealth of countries.

## Military presence

While in China's official discourse the economic presence is linked to the major project "One belt, one road", enabling China to "mark its commitment to globalization without borders", [5] Africa's place in this system is essentially as a port and particularly concentrated on the East coast, hence the importance of Djibouti's role.

Djibouti occupies a key position in the Strait of Bab-el-Mandeb, a real crossroads between the Indian Ocean, the Red Sea, the Middle East and Africa, turning its strategic position into a real trade. This small state now has five military bases: the oldest is the French base, which hosts Spanish and German troops; Italy, Japan and the United States each have one; and the latest is China, which can accommodate nearly 10,000 troops. This base, presented by China as its contribution to the fight against piracy off the Somali coast, plays a key role in securing one of the most important shipping routes for the Chinese economy. A road that should become even more important in the future.

China's military policy in Africa is not limited to Djibouti, as evidenced by the first "China-Africa Forum on Defence and Security" which, according to Ministry of Defence spokesman Ren Guoqiang, aims to "promote the building of a common destiny for China and Africa and to meet the needs of Africa's new security situations and China-Africa defence cooperation. " [6]

Beijing is already the second largest contributor, after the United States, to "peacekeeping" operations, an essentially financial contribution, even though China has recently set up an 8,000-strong regiment capable of intervening quickly under UN auspices.

Talking about the military also means talking about arms sales and, in this sector, Chinese policy remains as harmful as that of the Western powers. Indeed, the middle empire does not hesitate to sell its weapons, especially small arms (those that cause the most casualties), to all governments that request it, flooding Africa with cheap assault rifles that only prolong wars, and make them much more costly in human lives.

The policies of Western powers, such as those of China or other emerging countries such as the In de, do not differ fundamentally from each other. China's history, which has not had a history of slavery and colonialism, and the fact that it shares with Africa the vicissitudes of poor countries, make the discourse of Chinese officials attractive. But China has come to be a leading imperialist power and now what Chinese leaders have in common with most African leaders is authoritarian and corrupt governance, exploitation and oppression of populations and destruction of the environment. o

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[1] Zhong Fei, "La coopération Chine-Afrique va écrire une nouvelle page de l'histoire" (China-Africa Cooperation to Write a New History), 28 August 2018, [online](#).

[2] Interview with President Faure Gnassingbé "Ce qui est la base de la relation entre l'Afrique et la Chine c'est la concertation" (That which is the basis of the relationship between Africa and China is consultation... ), 27 August 2018, [online](#).

[3] Jean-Raphaël Chaponnière, "L'empreinte chinoise en Afrique", (The Chinese footprint in Africa) *Revue d'économie financière* n°116, 2014/4, [online](#).

[4] Julie Zaugg, "Comment la Chine alimente la dette africaine" (How China Fuels African Debt), *Le Temps*, 25 2018, [online](#).

[5] Bernadette Arnaud, "Chine : la Ceinture et la Route, un projet mondial qui a un train d'avance" (China: The Belt and the Road, a global project that is one step ahead), *Sciences et Avenir*, 13 May 2017, [online](#).

[6] Xinhuanet "China to host the first China-Africa Defence Forum", 1 June 2018, [online](#).