

China's Infrastructural Diplomacy in Africa

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Abstract

Most African countries have poor level of infrastructural development which directly impacts negatively their economic growth. In response to ameliorate this anti-development deficiency, African governments have sought to engage various stakeholders in the development of infrastructure. China is not left out in this race to solve Africa's infrastructural deficiency and her role in this direction in Africa has currently sparked attention both locally and internationally. It is against this backdrop that the work critically examined the motives or factors behind China's infrastructural diplomacy in Africa. The study employed the economic nationalism theoretical framework and also made use of a secondary source of data anchored in documentary evidence in understanding China's mode of infrastructural engagement in Africa. The work discovered economic considerations in terms of the search for raw materials. Natural resources and the need for a viable market influence China's infrastructural diplomacy in Africa. Be that as it may, the study vehemently recommends that no matter the various reasons for China's infrastructural diplomacy, African countries should key into the developmental projects that are been carried out by China and ensure that it is sustained for the overall development by the various countries within the continent. For clarity and easy comprehension, this study is segmented into seven sections:-introduction, background to China-African relations, theoretical framework, motivations for China's infrastructural diplomacy in Africa, China's infrastructural diplomacy in Africa, conclusion, and recommendations.

Keywords: - Infrastructure, Diplomacy, Relations, Development, Raw materials.

Introduction

The Chinese are coming is a popular mantra when describing Chinese infrastructural investments in Africa. Many worries that Beijing by its infrastructural investments in Africa is seeking to spread its communist model of governance, or that Beijing is helping to keep despots in power. Others maintain that the Chinese use their infrastructural investments in Africa as a tool and practice of conducting negotiations with African countries and hence the Chinese infrastructural diplomacy in Africa. China's relationship with Africa has deep historical roots. African nations helped China gain a seat in the United Nations in 1971 and the then Chinese Presidents Jiang Zemin and Hu Jintao traveled to Africa a total of nine times during their terms in the 1990s and 2000s. Africa has had several large Chinese projects, starting in the 1950s that set the tone for engagement between Africa and China. The Tanzania-Zambia railway (TANZAM) was a huge undertaking that connected land-locked Zambia with Tanzania's ports. The project was

completed in 1976 after over half a decade of work. The venture employed 25,000 Chinese workers and cost \$500 million (FOCAC, 2006). Within the past decade, Chinese investment and economic activity have grown dramatically. In less than eight years, China-Africa trade increased from \$10 billion to over \$100 billion (Forum on China-Africa Cooperation, 2009). Africa is now the fourth largest destination for Chinese overall investment. Africa is rich in natural resources and has enough people of working age to drive the economy.

However, despite swift progress in urbanization, poor infrastructure is one of the key obstacles to its development. To accelerate domestic socio-economic development, there is an insatiable demand for more and better infrastructure, with most of the funding coming from outside. With the intensification of China's overseas infrastructural investment strategy in recent years, the overall scale of China's direct investments in Africa has risen considerably. Chinese infrastructural investments in Africa

encompass railways, highways, stadia, estates, ports, oil and gas fields and power plants. It is in light of the foregoing that the study seeks to critically examine China's infrastructural diplomacy in Africa.

Background to China-Africa Relations

Africa is very important to China. China's engagement with the African continent is not a new phenomenon. The relationship between China and Africa has evolved noticeably over the last five decades and three separate periods can be distinguished within this time frame. Initially, relationships were established between China and African nation state as they gained independence; then came the period when China was given a permanent seat at the UN in 1971; the final phase covers the post-Maoist period and is characterized by the liberalization and subsequent growth of the Chinese economy.

China's relationship with Africa started to develop in the early 1950s. Before 1955, Africa was of no significant importance to China but from then onwards, China sought international recognition and political allies, hoping to strengthen international alliances against the capitalist West and the revisionist communist Soviet Union. The Bandung Conference was held in 1955. This meeting of 29 Asian and African states aimed to promote economic and cultural relations between the two continents. The topics that were on the agenda included colonialism, imperialism, and the hegemonic position of the Western powers. The conference enhanced the unity and co-operation of the Asian and African countries, inspired the people in the colonies to struggle for national liberation and played a significant role in promoting the anti-imperialist and anti-colonial struggle of the Asian and African people. What all the countries had in common was their shared history and their perception of their dominance by the West.

Statements such as 'We all belong to the Third World; we are developing countries' were commonly heard at this time. During the conference, China and the African states adopted the five principles of 'Peaceful Coexistence' that had earlier been formulated by India and China. These covered-mutual respect for sovereignty and territorial integrity; mutual

non-aggression; Non-interference in each other's internal affairs; Equality and mutual benefit; and Peaceful co-existence.

From 1966 to the 1970s, Chinese attention towards Africa was diverted due to domestic changes and the great proletarian Cultural Revolution. After internal disputes had been settled, China began to establish new relationships on the African continent. Sino-African relations in the 1970s had five key characteristics. First, the number of African countries with diplomatic ties gradually increased. In 1967, China had 13 diplomatic missions in Africa and by 1974 this number had increased to 30. Second, China joined the United Nations in 1971; many African states welcomed this decision since their political ties with China had increased over the years.

According to Moussa Traore then president of Mali (1968-1991), 'The presence of the Peoples Republic of China (PRC) in the UN as a permanent member of the Security Council will contribute notably to the strengthening of the capacity of this organization in maintaining peace and international security'. Thirdly, the Tanzania-Zambia railway was the biggest aid project on the continent in the 1970s and China was in the process of committing herself to more prestigious projects all over Africa. Loyal states were offered federal buildings, stadia, factories, infrastructures, medical teams and student exchange program. Fourthly, China continued to support the nationalist movements that were demanding independence and the end of imperialism.

She provided military support for Africa on various occasions, as she saw the need for African nationalist movements to disentangle themselves from the hegemonic West. The Peking Review (the only English based China National Magazine) of 26 January 1973 legitimized armed opposition stating that 'the armed struggle is the only way through which colonialism, apartheid and racial discrimination in Southern Africa and Guinea can be eliminated'. Finally, China stressed the existence of a dichotomy between the worlds super powers and their weaker opponents, assisting the latter in their survival. Starting in 1978, the post-Maoist era was characterized by new investments in the economic sector to modernize China.

The country's foreign policy was therefore mainly focused on economic modernization and increased trade relations. According to China, a peaceful environment was necessary to develop a stable economy. Stability became the major theme in China's policy towards Africa. A few decades earlier, China had held the super powers responsible for the then instability on the continent and supported African states in their struggle against imperialism. In 1989, the events in Tiananmen square shocked the western world, which saw the shooting of protesters by the People's Liberation Army (PLA). The Third World Countries were silent and relations were less affected by the trouble in Beijing. As a result of these events however, China was forced to focus on old relationships, giving African states a new priority. From then onwards, South-South cooperation was embraced. When official Chinese visits were made to Africa, the main theme was non-interference in each other's affairs, which they felt should be the basis of the emerging new international order which referred indirectly to the position that the West takes regarding human rights.

The dichotomy between the West, Africa and China, often stressed when establishing relations, continues to this day. State leaders are still addressing their position toward the west. During a speech in China in 2001, then President Mbeki of South Africa announced that 'The world and all of us are defined by the divide between rich and poor, the haves and the have-nots, the developed and the underdeveloped, it constitutes the difference between the countries of the North and those of the South. Together with China, we are commonly defined by our situation as belonging to the South, further cement the relationship between China and Africa, the Forum on China-Africa Cooperation (FOCAC) was established in 2000.

FOCAC was created as a mechanism to facilitate cooperation between China and Africa several fields, including trade, aid, investment, culture and international affairs. The Forum held its first Ministerial Meeting in Beijing in 2000 and its second meeting was convened in Addis Ababa in 2003. In October 2004 the forum created the China-Africa Business Council. The third Forum was held in November 2006 in Beijing, the fourth forum

took place in November 2009 in Egypt, the fifth forum was held in July 2012 in Beijing and the latest forum took place in December 2015 in Johannesburg.

Since the end of the cold war, China has displayed a reinvigorated interest in the African continent. She has positioned herself as Africa's leading developmental partner, based on increased trade and investment within the continent. As well several aid and infrastructural development programmes in Africa. China's foreign policy toward Africa is based on the rhetoric cooperation, mutual benefit, and partnership. However, some view China's economic involvement in the African continent as a threat; they argue that trade between China and African countries is largely unbalanced, with the scales tipped in favour of China. Furthermore, they see the influx of Chinese manufactured goods into African markets as resulting in the crippling and sometimes closure of local retailers and manufacturers. This, in turn, hurts the labour market, exacerbating unemployment. Given the different viewpoints on China's involvement with Africa, the focus of this study is to examine China's infrastructural diplomacy in Africa.

Theoretical Framework

The study applies the economic nationalism theory which has the same basic argument as the realist theory about the centrality of power in international relations. Major proponents are Alexander Hamilton (1755-1804) and Friedrich list (1789-1846). Economic nationalism propounds the primacy of the role of the state in the global system (O'Brien & Williams, 2004). Economic nationalists argue that the state's role has not diminished as a result of globalization, because the process of globalization is driven and shaped by states, and furthermore because national economies are the most important actors in international economic processes. The most central concern of economic nationalism is that of bolstering national power. National power implies a combination of political and economic power: when economic power is maximized, so is political power, and vice versa.

Thus, economic nationalists recognize that there is a profound connection between wealth and power. For economic nationalists, the well-

being of the nation is of central importance for the argumentation of power (Nakano, 2004). The State's role in economic development ultimately contributes to the formation of national identity, because economic development forms and enforces the idea and sentiment of the nation, which increases the political power of the state. Thus, the relationship between the economy and the nation is an important issue for economic nationalism (Nakano, 2004). Economic nationalism has often been associated with mercantilism and protectionism. However, economic nationalism is slightly distinct from those approaches. Where the mercantilist's goal is autarky, the economic nationalist's goals are national unity, autonomy and the maximization of national power, where mercantilists advocate protectionism, economic nationalists will advocate free trade and it bolsters national power.

The approach is pragmatic: implement the policy that best augments national power. Thus, economic nationalists advocated protectionism and government intervention in the economy only in particular circumstances, such as if a nation capable of industrializing had not yet done so. (Harlem, 1999). Economic nationalists argue that liberal economic policies in the international economy do not necessitate liberal policies in the national economy rather; state intervention is a prerequisite for successful participation in the international economy. For economic nationalists, the economic policies of states are usually designed in such a way as to strengthen national unity. The drawback of the theory is that it fails to consider other factors and interests of the government that might necessitate the involvement of the state and it gives too much primacy to wealth and power.

Economic nationalism is well suited to examining China's infrastructural diplomacy in Africa. China has a long history of nationalism, and its foreign policy orientation remains distinctly nationalist. Chinese nationalism was spurred on, particularly by Western hostility towards China and Western rule over some parts of China since the Opium Wars in the 19th century, which saw disputes over British trade in China. It is in this historical context that Chinese rulers promoted nationalism as a means to oppose external hostility and assert their

independence (Zhu, 2001). Nationalism was the key factor driving Chinese foreign policy for most of the 20th century.

Since 1949, the Chinese government has actively promoted state nationalism (building the Chinese nation as opposed to ethnic nationalism). Nationalism still dominates China's foreign policy orientation. Adjustments in Chinese foreign policy are usually context-specific adaptations that serve to achieve the fundamental goal of Chinese nationalism: to seek and preserve china's national independence (Zhu, 2001). The main priorities of Chinese nationalism are: economic development, national unity and independence, and international prestige. Of the three, economic development is seen as the most important priority; the one that encompasses all other national objectives (Chen, 2005).

Motivations for China's infrastructural Diplomacy in Africa

Contrary to the conventional perception that China is interested only in Africa's natural resources, China's interest in Africa includes at least four dimensions of national interest: political, economic, security and ideological. China seeks Africa's support for the Chinese Communist Party's domestic political legitimacy and China's foreign policy agenda internationally, especially in multilateral forums, given the size of the African voting bloc. Africa's rich natural resources and underdeveloped market potential create the abundant business potential for Chinese business players. Enhanced Chinese economic presence on the ground creates a challenge in protecting booming Chinese investment and personnel in Africa. By far, this has been the primary security concern of China in the continent. As China pushes for liberalization of international relations, the success of the so-called China Model or Beijing consensus and relations with non-Western and non-democratic African countries have become an increasingly important goal for China, both for domestic and foreign policy purposes.

Economic Interests

There is a debate inside China on whether political interests or economic interests should represent China's top priority in its

overall Africa strategy. Chinese officials have consistently emphasized that, for the majority of the past six decades; China's goal in Africa has never been for economic benefits: In 2011, China's then-Premier Wen Jiabao proudly stated that 'China had selflessly assisted Africa when it was the poorest. We did not exploit one single drop of oil or extract one single ton of minerals out of Africa'. This seems to suggest that Beijing views Africa first and most keenly through the lens of political ties rather than economic benefits. Since China's political agenda has been a constant theme of Beijing's Africa strategy, some Chinese analysts firmly argue that, with or without economic benefits, Africa invariably would have been important for China.

However, the counterargument is that, despite Africa's political importance, China has elevated economic considerations to a much higher level in its domestic and foreign agenda since the beginning of Beijing's strategy to diversify and consolidate its legitimacy through the delivery of economic development to its general population. China hosted the Sino-African summit in Beijing in November 2006 where at least 48 African Heads of State attended to discuss economic and diplomatic initiatives that would benefit their regions. Africa's wealth in resources has justified China's initiative. According to Ayitteh (1998), with a population of about 700million, Africa has 40% of the world's potential hydroelectric power supply; the bulk of the world's diamond and chromium; 30% of uranium; 50% of the world's gold; 90% of its phosphate; 40% of its platinum; 7.5% of its coal; 8% of its known petroleum reserves; 12% of its natural gas; 3% of its iron ore. There is no other continent that is blessed with such abundance and diversity. He adds that 64% of the world's manganese, 13% of its copper, and vast bauxite, nickel, and lead resources all come from Africa. In agriculture, Africa accounts for 70% of the world's cocoa, 60% of coffee and 50% of palm oil.

Another readily stated argument, for an increase in China's engagement in the global south is its need to secure foreign markets and resources to fuel its rapid growth. East Asian energy demand grew by 5% annually. Moreover, oil consumption in developing Asia is expected to rise from 14.6 million barrels/day

in 2000 to 29.8 million barrels/day by 2025 (David et al, 2008). China itself is estimated to use 10.9 million bpd by 2025, with net imports of 7.5 million bpd. This will mainly be from the growth of passenger cars as the Chinese population becomes more affluent.

In 2003, China passed Japan as the second largest importer of oil in the world and 2004 became the second largest energy consumer in the world under the United States. To meet increasing demand, Beijing must use an active foreign policy to secure foreign sources of oil and other minerals. The Chinese National Petroleum Corporation (CNPC) and the Chinese National Offshore Oil Corporation (CNOOC), two state-owned enterprises, act as the arm of the Beijing government to financially secure territory and develop joint ventures with domestic producers, which are facilitated by trade agreements secured by the government. This was seen in 1997 when CNPC outbid western firms like Exxon, Texaco and Amoco to acquire and develop oil fields in Iran, Venezuela and Sudan. Currently, the majority of China's oil comes from Angola.

Chinese government firms have invested billions of dollars in foreign exchange and have used Chinese engineering and construction resources on infrastructure for developing oil, gas, minerals, and other natural resources in dozens of African countries, including Algeria, Angola, Gabon, Nigeria, Sudan and Zimbabwe. The PRC's new African energy investments are intended to supplement its Middle Eastern oil imports. In March 2004, Beijing extended a \$2 billion loan to Angola in exchange for a contract to supply 10,000 barrels of crude oil per day (Lee, 2009). Under the agreement, the loan will be heavily reinvested in infrastructure construction, with 70 percent of the loan funds going to Chinese companies and the remaining 30 percent going to local subcontractors.

In July 2005, Petro-China concluded an \$800 million deal with the Nigerian National Petroleum Corporation (NNPC) to purchase 30,000 barrels of oil per day for one year. In January 2006, China National Offshore Oil Corporation (CNOOC), after failing to acquire American-owned Unocal, purchased a 45 percent stake in a Nigerian offshore oil and gas field for \$2.27 billion and promised to invest an additional \$2.25 billion in field development

(Kate and Shai, 2006). Gabon's declining oil industry also saw massive investment from China National Petrochemical Corporation (SINOPEC), which plans to explore Gabon's onshore and offshore oil reserves. South Africa and Zimbabwe remain Beijing's major sources of platinum and iron ore.

In 2004, there were more than a dozen exchange visits of the high-level party and government officials between China and African countries. Most of the exchanges have centered on economic and energy cooperation. For instance; In February 2004, former Chinese [President Hu Jintao visited Algeria, Gabon, and Nigeria, the three African oil giants to consolidate further security of energy supplies. In June 2004, former Chinese Vice President Zeng Qinghong visited Tunisia, Togo, Benin, and South Africa, which have significant mineral resources. In October- November 2004, National People's Congress Chairman Wu Bangguo visited Kenya, Zimbabwe, Zambia, and Nigeria. All of these visits focused on joint oil, mineral and renewable resource exploration opportunities in the region. In return, top leaders from Kenya, Liberia, South Africa, and Zimbabwe visited Beijing and secured further investment and economic assistance from China. In January 2006, then foreign minister Li Zhao Xing's trip to six West African Nations Cape Verde, Senegal, Mali, Liberia, Ghana and Nigeria was accompanied by the release of China's African Policy, an official Chinese government paper aimed at promoting economic and political cooperation as well as joint energy development without interfering in each other's internal affairs.

As pointed out, China needs to maintain growth to the state to remain stable. Decreasing reserves of oil and gas domestically, and a need to maintain its energy security have created a 'mad grab' for energy resources in any place Beijing can find them. A policy of non-interference is more appealing to authoritarian states who are tired of pressure from Western institutions to liberalize, which is then beneficial to China. Promotion of the Five Principles by other states also helps to promote support for China's policy of non-interference and emphasis on state sovereignty (Construction Review Online, 2015).

Meanwhile, China also had its eyes on

Africa for its market potential. Chinese manufacturing industries enjoy the unique advantage of producing textiles, electronics and other products at a relatively low price, which fits the market demand of the less-developed African countries. Africa's importance as a market for China was significantly enhanced as a result of the 2008 international financial crisis and its dire effect on China's export industries. When the demand for Chinese goods shrank from stagnant Western economies, China's export industries had to resort to alternative markets to fill the void. Some analysts therefore, attribute the international financial crisis to the fact that China surpassed the US as Africa's largest trading partner during the same period. Furthermore, as China seeks to upgrade its industrial economy and move up in the global supply chain, Africa, with its vast and untapped labor resources, is identified as the ideal location for China's labor-intensive industries. By relocating low-skilled jobs and labor-intensive industries to Africa, China seeks more capital-intensive, high-tech industries and jobs to improve its development model and quality.

In the past five decades, the volume of Sino-African trade has been gradually increasing. Now a greater variety of products are traded, evidence of friendly cooperation between China and African countries. The volume of trade between China and Africa was worth US\$12 million in 1950. In 1995, this grew to \$34.74 million, and in 2005 it reached \$250 million (World Investment Report, 2007). Since China launched its reform and opening-up program in the 1980s, it has attached great importance to friendly cooperation with African countries. The volume of Sino-African trade has maintained an average annual growth rate of 3.6 percent, but in some years that figure has been higher than 40 percent. In 2000, the volume of trade exceeded \$10 billion. In 2005, that figure increased to \$39.74 billion, over 800 times what it was worth 50 years ago. The most important feature of the development of in-African trade is its accelerating growth.

It took 10 years for the value of trade to grow from \$10 million in 1950 to over \$100 million, then another 20 years for \$100 million to grow to \$1 billion, and another 20 years from \$1 billion to \$10 billion. However, it only took 4 years for \$10.8 billion in 2000 to become nearly

\$40 billion in 2005. Since 2001, the volume of Sino-Africa trade has risen at a rate of close to 40 percent annually, which demonstrates the enormous potential for the development of Sino-Africa trade (World Investment Report, 2007).

Political Interests

Since the early days of the People's Republic of China, political interests have been the anchor of and constant theme in Beijing's relationship with Africa. In its pursuit of friends in the bipolar Cold War international system, Beijing identified Africa's newly independent nations as a key group with which to unite. China saw the natural common ground and bore a sense of empathy with Africa as a result of their shared historical experience: Africa and China were both victims of colonization by the capitalists and imperialists and faced the same task of national independence and liberation after World War II.

During the Cultural Revolution (1966-1976) led by Mao Zedong under the influence of radical revolutionary ideology, China provided large amounts of foreign aid to Africa, despite China's domestic economic difficulties. This included the famous Tanzania-Zambia Railway: China supplied a zero-interest loan of 988 million Yuan, and the railway remains one of the largest foreign aid projects to date that China provides to Africa. Such foreign aid projects contributed to the establishment of diplomatic relations between a group of African countries and China. Nineteen countries established diplomatic ties with China during the Cultural Revolution. These include: Equatorial Guinea (1970), Ethiopia (1970), Nigeria (1971), Cameroon (1971), Sierra Leone (1971), Rwanda (1971), Senegal (1971), Mauritius (1972), Togo (1972), Madagascar (1972), Chad (1972), Guinea-Bissau (1974), Gabon (1974), Niger (1974), Botswana (1975), Mozambique (1975), Comoros (1975), Cape Verde (1976), and Seychelles (1976). By the mid-1980s, Beijing's political and infrastructural diplomacy efforts had won diplomatic ties with 44 African countries.

Among the 256.29 billion Yuan cumulative foreign aid China had given by the end of 2009, 45.7 percent had been to Africa (World Investment Report, 2009). Therefore, in terms

of Africa's political importance, China's overarching goal historically has been diplomatic recognition from African nations and the establishment of official ties that strengthen the political legitimacy of the communist regime. Throughout the 1960s, the period when China was struck with both fists (in two directions: toward the United States and the Soviet Union), her support for African countries greatly reduced the pressure on China brought about by the international isolation imposed by the two major powers. The emotional affinity of China toward Africa has since then been a constant factor in the relationship.

Another point to note is that China relies heavily on diplomatic support and cooperation from African countries on key issues in the international arena and at multilateral forums. Currently, the 54 African states account for more than one-quarter of UN member states and votes. China has relied on African countries support at the UN for its political agenda. In 1972, China learned of Africa's very real political importance and value when 26 African countries voted for the People's Republic of China to resume their seat at the United Nations. African votes represented more than one-third of the countries that supported the resolution. In the aftermath of the Tiananmen Square event of 1989, Beijing was faced with serious international isolation and Western sanctions. Again, it was six countries in southern Africa (Botswana, Lesotho, Zimbabwe, Angola, Zambia and Mozambique) that stepped up and saved China from the quagmire by inviting former Chinese Foreign Minister Qian Qichen to visit in August 1989. The first head of state and foreign minister who visited China after the Tiananmen Square protests in 1989 were also from Africa. In appreciation for this tremendous political favour, China has reciprocated by making Africa the first destination of Chinese foreign ministers in the New Year every year since 1991.

As the 54 African countries account for more than one-quarter of UN member states, China has relied on their support at the UN for her political agenda. In 2008, before the Beijing Olympics, the issue of Tibet became a controversial sore spot for China at UN Human Rights Council. China relied on African countries to remain silent or issue statements

supportive of China's Tibet policy in order to defuse and preempt hostile discussions or actions. Today on issues ranging from human rights to UN reform, from regional security to China's core national interests, China looks to Africa to be on her side.

Another of China's key political aspirations in her relationship with Africa is to end Taiwan's diplomatic presence on the continent. For Beijing, it is a matter of fundamental regime legitimacy that Africa embraces the One China policy and accepts Beijing rather than Taipei as the only lawful representative of China. The tug-of-war between Beijing and Taipei over diplomatic ties with African countries has lasted more than six decades since the founding of the People's Republic of China. Currently, three African countries maintain diplomatic ties with Taiwan: Burkina Faso, Swaziland, and Sao Tome and Principe. The Gambia, which established diplomatic relations with China in 1974, restored relations with Taipei in 1995 but severed such ties in November 2013. It is yet to normalize diplomatic relations with Beijing as of January 2014.

Burkina Faso established diplomatic relations with China in 1973 but switched to Taiwan in 1994; and Sao Tome and Principe established diplomatic ties with Beijing in 1992 and switched to Taiwan in 1997. Taiwan's checkbook diplomacy since the 1990s had, in the past, succeeded in winning recognition from some African countries, such as Sao Tome and Principe (1997, a \$30 million loan), Niger (1992, \$50 million loan) and Chad (1997, a \$125 million loan). Today, however, with the substantial financial resources now at Beijing's disposal, China has been winning the diplomatic battle and has gradually edged Taiwan out of Africa. In 1996, 2006 and 2007, Niger, Chad and Malawi, respectively, severed their diplomatic ties with Taiwan to build formal relationships with China.

Security Interests

Given the vast geographical distance, Africa poses hardly any direct physical threat to China's immediate national security or the security of its periphery. However, as China's economic activities and personnel presence expand rapidly on the continent, the physical

security of Chinese investments and nationals has become the top challenge for Beijing. According to FOCAC (2012) report, there are at least 1 million Chinese living in Africa as of October 2012. These people are subject to numerous security threats at the local levels. Some of the attacks on Chinese projects are due to labour disputes and illegal activities by Chinese companies:

- i. October 2010, unrest at Collum Coal Mine in Zambia led to 11 local mining workers being shot and wounded by Chinese managers and three Chinese being injured.
- ii. August 2012, a Chinese mine manager was killed following a pay dispute at the Collum Coal Mine in Zambia.
- iii. October 2012, more than 100 Chinese illegal miners were detained in Ghana.
- iv. January 2007, two Chinese workers were kidnapped by the anti-government Movement for the Emancipation of the Niger Delta in southern Nigeria as a threat against Chinese companies exploitation of crude oil in the Niger Delta.

At the state level, domestic political turmoil and regime changes inside African countries have created the most serious threat to the safety of Chinese investments and nationals. The protection of Chinese nationals in Africa is linked to the Chinese government's legitimacy in that a failure to provide such protection would undercut the Chinese Communist Party's internal and international prestige. The Chinese government and companies learned this lesson the hard way during the military coup of Liberia in 2003, when Chinese embassies had to assist 36 overseas Chinese to evacuate. Although no casualties occurred, Chinese media and analysts emphasized major financial losses due to the political turmoil. More recently, during the civil war in Libya in 2011, China was forced, partly by domestic public opinion, to mobilize significant military and diplomatic resources to evacuate more than 30,000 Chinese nationals based in Libya. The Chinese People's Liberation Army dispatched four military aircraft and one navy vessel for the mission. Nevertheless, the regime change resulted in total losses as high as \$20 billion for Chinese companies on the ground, due to uncompleted contracts originally made with the Gadhafi government. In the light

of the foregoing, during the 5th Ministerial Meeting of the Forum on China-Africa Cooperation (FOCAC) in Beijing in July 2012, then-President Hu Jintao launched the Initiative on China-Africa Cooperative Partnership for Peace and Security.

Aside from supporting the African Union's (AU) own peacekeeping operations inside Africa, China committed to providing financial support to the AU's standing army and to train security officials and peacekeepers. During Xi Jinping's first overseas trip to Africa, the new Chinese leader also promised to constructively participate in Africa's peace and security affairs. These moves suggest two main policy conclusions by China: 1) China sees the AU as a promising stabilizing force in Africa to protect Chinese security interests; and 2) China is willing to assist the AU in developing such capacities to defuse and fight security threats in Africa.

Ideological/Policy Interests

The emphasis on ideology originated from the hostile external environment that forced China to seek friendly diplomatic space to ensure its survival. This ideology-driven policy resulted in massive infrastructural aid to Africa despite China's economic difficulties and was gradually abandoned after 1979. Since then, China no longer uses ideology (communism or socialism) to determine its relationship with countries in Africa. Instead, it has developed broad relations with all African countries that embrace the One China policy. As explained earlier, the non-discriminative nature of China's relationship with all African countries is primarily driven by economic interests and practical political considerations, such as garnering international supporters, legitimacy and support for the Chinese government.

However, as the largest and perhaps the most successful authoritarian regime in the world, it is inevitable that Beijing's foreign policy strives to serve domestic political purposes. As many China analysts would argue, given the country's lack of democratic elections, the Chinese Communist Party's (CCP) most fundamental need is to establish and preserve legitimacy. Domestically, the CCP proves its legitimacy by making China independent with the founding of the new China, and by making

Chinese people rich with reform and opening up. Consequently, calls for democracy are muffled by and subject to the higher need for stability to foster further economic development.

Furthermore, foreign governments' recognition of the CCP's successful political and economic policies is seen as a powerful reinforcement of the CCP's legitimacy at home. This is where the China Model, or Beijing Consensus, plays an important role. China uses its development model, which combines political authoritarianism and economic nationalism and capitalism, to prove to some African countries that economic development and political stability can triumph over the need for a sound democratic system. In many countries, China's economic progress is cited by statist and protectionists, to prove that keeping the state's grip on companies, trade, and political freedom need not stop a country from growing economically.

From Beijing's perspective, the popularity of the China Model is the best way to validate the viability of the Chinese system. A senior Chinese analyst at the People's University, Tao Wenzhao, wrote publicly that the China Model has substantial influence in Africa, which is an indispensable soft power for China to become a great power in the world. Incidentally, the same model also continues to support the legitimacy of the CCP at home.

China's Infrastructural Footprints in Africa

On 13th January 2009, China agreed to begin a 280 million US Dollars expansion contract to extend the port at Nouakchott, by more than 900 meters, adding significantly to the port's current capacity of 5000,000 tons of cargo per annum.

China's foray into Africa began in large part due to the construction of the Tanzania-Zambia railway in the 1970s, which symbolizes China's contribution to African economic development. According to statistics from the Institute of Developing Economies of Japan External Trade Organization (IDE-JETRO, 2010) China has made a major comeback in the African rail sector, with financing commitments on the order of US\$4 billion for this sector. They include the rehabilitation of more than 1,350 kilometers of existing railway lines and the construction of more than 1,600 kilometers of

the new railroad. To put this in perspective, the entire African railroad network amounts to around 50,000 kilometers.

The largest deals have been in Nigeria, Gabon, and Mauritania. In Nigeria, the Chinese have committed to financing the construction of the Abuja Rail Mass Transit System; and to the rehabilitation of 1,315 kilometers of the Lagos-Kano line under the first phase of the Nigeria railway modernization program. The total cost of the Lagos-Kano rail project is estimated to be US\$8.3 billion of which the Chinese were to cover US\$2.5 billion through a line of credit part of which would also be allocated for supporting power projects. However, in October 2008, the Chinese rail projects were put on hold pending a review of the agreements after a period of tensions linked to allegations by Nigeria that China was not delivering on its investment promises. (Note: Nigeria suspended the rail contract with the China Civil Engineering Corporation (CCECC) that year, saying the cost was inflated and the government did not have enough funds to modernize the country's century-old rail system. Former Nigerian President Olusegun Obasanjo awarded the contract to the Chinese company in 2006 and promised the firm an oil block in return as an incentive. China facilitated the deal with an initial offer of a US\$2 billion loan).

In 2007, work started on the rehabilitation of the 1,302 km Benguela Railway line in Central Angola for US\$300 million; however, in February 2008 rehabilitation work was suspended owing to delayed disbursements from the credit line of the Hong Kong-based China International Fund (CIF). Over 1000 route-km of the Benguela need rebuilding. Besides apparent funding problems, the process was being hampered by the presence of land mines and the need to reconstruct 50 bridges. The railway to the border with the DRC is now completed. China Ex-Im Bank financed the 560-km Belinga-Santa Clara railway in Gabon, which, together with the Poubara hydropower dam, and deep water port at Santa Clara, was part of the Belinga Iron Ore project. The China Ex-Im Bank's loan for the project was to be repaid via sales of iron ore to China.

In January 2009, the China Civil Engineering Corporation signed an US\$805 million contract with the Libyan government to

build 172 kilometers of railway lines in the North African country. A 430-km railroad linking Nouakchott to phosphate-rich Bofal in Mauritania, which was agreed upon in 2007 was financed by US\$620 million China Ex-Im Bank loan and was implemented by Chinese Transtech Engineering Corporation.

The Chinese have been active in building roads across Africa. World Bank data recorded more than 18 projects involving Chinese commitments for the construction and rehabilitation of more than 1,400 kilometers of road in 2004. However, the aggregate value of finance for confirmed projects at around US\$550 million was substantially below that reported for the other sectors during that period. Sudan granted China's Sinohydro Corporation US\$300 million contract to construct 486 km of roads in the country. The construction made a significant contribution to improving Sudan's road transport network in the northern and central parts of the country.

China's involvement in infrastructure finance in Angola began in 2002, following the conclusion of the civil war with a series of relatively small projects involving the rehabilitation of rail and power transmission infrastructure and the installation of a new fiber optic link. It was in 2004 that China substantially scaled up its involvement in Angola with the agreement of a China Ex-Im Bank line of credit to allow the government to repair infrastructure damaged in the country's 27-year civil war that formally ended in 2002. The overall size of the line of credit was US\$2 billion, however only half of it went toward infrastructure (electricity, roads, water, telecom, and public works), with the other half dedicated to health, education, and fisheries. This line of credit was disbursed in two equal installments over the 2004-06 periods.

The US\$2 billion loan was backed by an agreement to supply China with 10,000 barrels of Angolan crude per day for 17 years. Indeed, this type of natural resource backed financing deal (of which this was the first major example) has come to be known as the Angola model (Chen, 2007). The Centre for Chinese Studies at Stellenbosch University indicates that the interest on the loan has been lowered to 0.25 percent from an initial level of over 1 percent, and that the loan has a 3-year grace period and

15-year repayment term (Stellenbosch University, 2006). In September 2007, China Ex-Im bank issued another US\$2 billion loan reportedly devoted all to infrastructure needs. In 2006, Angola also agreed on a loan of US\$2.9 billion from the China International Fund (CIF) covering general infrastructure development. This has been run under the office of President Dos Santos in what is known as the Reconstruction Ministry headed by General Helder Viera. Today over 100 Chinese companies are now active in Angola, with approximately 60,000 Chinese workers employed on different projects there. The China Road and Bridge Corporation (CRBC) rebuilt the national road that links the Angolan city of Uige to Maquela do Zombo,. The project cost around US\$80 million.

China's engagement in Nigeria amounts to total financing commitments of US\$5.4 billion. The initiation of activities dates back to 2002 with the agreement on the first phase of the National Rural Telephony Project (NRPT), when China's two telecom giants ZTE and Huawei began actively pursuing equipment supply and network rollout projects for both fixed and wireless services in the country. In March 2002, China Machinery and Equipment Import and Export Company (CMEC) and Shandong Power Construction Company agreed to a \$390 million deal with the Nigerian Ministry of Power and Steel to build two gas-fired power plants with a total capacity of 670 megawatts. CMEC President Li Shuzhi said the plants would help ease the electricity shortage in Nigeria and promote economic and trade cooperation between the two countries.

Nigeria's first loan from the China Ex-Im Bank came in 2005 to support the construction of power stations at Papalanto (335MW), Omotosho (335MW), and Geregu (138MW) in Ogun, Ondo, and Kogi states respectively. The construction of Papalanto plant, financing commitments according to the Bureau of Statistics, was undertaken by Sepco of China while the China Ex-Im Bank agreed to finance US\$300 million of the estimated US\$400 million construction costs. The deal was oil-backed such that in return CNPC, secured a deal to purchase 30,000 barrels of crude oil a day from the Nigerian National Petroleum Corporation (NNPC) for one year, which was

renewable.

In March 2005, the PRC agreed to construct 598 boreholes in 18 of the 36 Nigerian states including the capital, Abuja to support the country's water supply programme. The aim of the free-aid water project was to provide clean drinkable water to ordinary Nigerians living in out-of-the-way areas. In 2006, there was a substantial scale-up in China Ex-Im Bank financing with almost US\$5 billion of projects agreed. These included contributions of US\$2.5 billion to a major Lagos-Kano railway upgrading project, a contribution of US\$ 1 billion to Abuja Rail Mass Transit projects, which involves the contribution of a high speed rail link between Lagos and Abuja, as well as a light railway system connecting Murtala Mohammed International Airport and Nnamdi Azikiwe International Airport, Lagos and Abuja city centers respectively. Also, according to the Minister of State for power, Mustapha Shehuri, 2016 stated that the Mambilla Power Project which was put on hold will now be completed at a cost of about US\$6 billion by the Chinese construction giant, China Gezhouba Group Corporation (CGGC).

Since 2011, China has provided US\$1.3 billion to finance infrastructure projects in Sudan. The early infrastructure projects were all related to the power sector, beginning with the construction of the EL Gali Combined Cycle Power Plant in 2001, and the Qarrel thermal station in 2002 (financing for which, however, was not confirmed by Chinese sources). China later financed three substantial thermal generation projects for the coal-fired and gas-fired station in Port Sudan, AL-Fulah, and Rabak. Thus, a total of more than 2,200 MW of new thermal generating capacity has been added with Chinese support. By far the highest-profile power sector project has been the completion of the 1,250 MW Merowe dam that began in early 2004. This massive US\$1.2 billion hydropower project was the largest international project that China had ever participated in at the time the contracts were signed (although it has been superseded by the Mambilla hydropower project in Nigeria, which is supposed to triple it). In December 2008, developmental contracts to the value of US\$1.5 billion were concluded between Sudan and China. The projects comprise the building of the

AL-Fulah 405-MW power station for US\$680 million, the construction of the Dongola-Halfa pipeline for US\$120 million and the building the Dibaybat-Malakal road for US\$100 million.

Conclusion

China's Infrastructural Diplomacy stems from the fact that Africa lags behind other developing regions in infrastructure and has a craving demand for catching up, in the spirit of south-south co-operation, and also the need to continue expanding the economic frontier of China to improve the welfare of its people and gain legitimacy, China sees helping Africa as being able to meet her needs to attain her economic and political interests. Consequently, the building is what China has been doing on a massive scale with projects of all kinds sited in Africa, such as the fully funded \$150 million magnificent AU headquarters building in Addis-Ababa in 2012, also the recent signing of a contract worth \$12 billion to build a coastal railway in Nigeria stretching 650km across the country from Calabar to Aba, Port Harcourt, Warri, Benin city and Lagos. Never before in human history have we seen the spectacle of a continental-sized China which was poor as most African countries only 30 years ago, building up African infrastructure on such a scale that could help the world's poorest continent catch up in development.

Recommendations

The following recommendations would enable African policy makers to make the most of Chinese infrastructural Diplomacy to foster sustainable development on the continent.

- i. African countries need to seize the unprecedented opportunity, by teaming up with China in planning and promoting infrastructural development and industrial collaboration, so as to accelerate industrialization and agricultural modernization. Financing should only be carried out after scientific assessments of each party's risk tolerance to minimize any dangers of insolvency.
- ii. Political stability and continuity are the foundation and guarantee of successful Sino-Africa collaboration in infrastructural development. To attract much-needed investment, from China,

African countries need to put in place far-sighted and appealing investment policies and provide a macroeconomic environment that is politically stable, business friendly, and open.

- iii. The success of projects depends on how African governments execute and maintain them. China should be asked to manage the follow-up operations for a certain period while training our people to takeover. In many unsuccessful cases, the problem can be attributed to a quick transfer of authority to the local side on completion.
- iv. The aspect of ensuring proper repayment plans of the loans gotten from China to finance infrastructure projects need to be strategically elaborated and information made available to the citizens of the various nations involved. This is to ensure responsibility and accountability by the government in Africa.
- v. African countries need to increase the effectiveness of their training of local technicians and try to retain them. This not only determines the project's success, but also lays the foundation for Africa's future industrialization. However, the African government should make sure that the numerous loans acquired through Chinese infrastructural Diplomacy in Africa no matter zero or small figure interest rates do not substitute western colonialism with Sino-colonialism like the US state secretary Rex Tillerson said that China's infrastructural Diplomacy loans to developing nations will leave those nations saddled with heavy foreign debt (CNN, 2017).

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