

## China's Economic Statecraft in Africa

by Hisham Aidi

### Summary

Africa, preeminent recipient of Chinese aid, has benefited greatly from Chinese low-rate loans, infrastructure projects and trade relations. Consequently, these massive investments cause analysts to question whether this Chinese expansionism constitutes a new form of colonialism.

The author examines the different economic intervention tools of Beijing, the Chinese capital's economic engagement in the continent, and the long-term strategy of China in Africa. He also addresses approval ratings of Chinese engagement by both the elites and the general population of Africa.

Africa is the top recipient of Chinese aid. In the early 2000s, China became Africa's largest trading partner and a leading investor and provider of aid. China's economic involvement in Africa has generated much commentary and anxiety, especially in the Western press. In fact, analysts have described China as a "rogue donor" that is propping up pariah states, gobbling up African land, resettling Chinese laborers across the continent, and undermining the efforts of Western aid agencies. Earlier this year, *Le Monde* reported that the African Union's headquarters in Addis Ababa – a building built by the Chinese – was bugged and targeted by Chinese hackers, who were siphoning off data from the Chinese capital towards servers in Shanghai. Political leaders have also sounded the alarm with Hillary Clinton warning that Chinese expansionism could lead to a "new colonialism" in Africa. More recently, Secretary of State Rex Tillerson, declared in a meeting with the chair of the African Union

that Chinese investment on the continent had led to rising debt, adding "when coupled with political and fiscal pressure, this endangers Africa's natural resources and its long-term economic and political stability."

In this paper, we will step away from the headlines to provide an overview of the academic debate about Chinese economic statecraft in Africa. We will first underscore the changes in aid to Africa with the growing Chinese assistance to the continent. Second, we will look at the various economic intervention tools of Beijing including some moderately positive results. Third, we will analyze how Beijing's economic engagement with the continent is part of a long-term strategy, and not simply a dash for natural resources. Finally, we will focus on how, according to the polls, Chinese economic engagement with Africa is viewed positively by elite and lay opinion.

## History

China is not new to the African continent. In fact, Chinese aid initiatives date back to the late 1950s, when assistance was granted as a gesture of solidarity to fellow socialist states. The first aid package in Africa was delivered to Egypt in November 1956 to the amount of 20 million Swiss francs. The first development project in sub-Saharan Africa was completed in 1960 when Beijing built cigarette and match factories in Guinea. In 1975, the Tanzania–Zambia Railway was completed with a zero-interest loan of 980 million yuan from Beijing. During the Cold War decades, Chinese development assistance was driven by a clear political calculus, aimed at solidifying ideological ties and getting diplomatic recognition from African states, peeling them away from Taiwan. By the mid-1970s, China had aid programs in more African countries than did the United States.<sup>1 2</sup> As China introduced market reforms in the 1980s, Beijing's aid began to involve activities of a more commercial nature. Chinese companies began bidding for, and winning, construction contracts. By the late 1990s, Chinese engineering companies were getting contracts across the continent amounting to an annual \$2 billion. Moreover, Chinese investors had also acquired copper mines in Zambia, oil fields in Sudan and farms in myriad countries.

China's policy towards Africa became more focused and elaborate following the meeting of the Forum on China-Africa Cooperation (FOCAC) on October 10, 2000. The FOCAC was established in Beijing in October 2000 to "strengthen the friendly cooperation between China and Africa under the new circumstances, [and] to jointly meet the challenge of economic globalization and to promote common development."<sup>3</sup> FOCAC's first meeting, attended by the presidents of Algeria, Tanzania, Togo, and Zambia and ministers from over 40 African countries, would generate the Beijing Declaration of FOCAC and the Program for China–Africa Cooperation in Economic and Social Development.

## Economic Instruments

The extent of Chinese investment in Africa is the subject of heated debate. Although, since 2006, China's State Council has provided some figures on official aid – hard data remains scarce, and the available numbers data tends to be aggregated, and not broken down for individual countries. Hence, estimates vary quite a bit. McKinsey, the consulting firm, for example, examined five indexes of Africa's economic engagements with the world (trade, investment stock, investment growth, infrastructure financing and aid) and concluded that China is among the top four partners in each engagement. "No other country matches this depth and breadth of engagement," states the report.<sup>4</sup> Likewise, according to Ernst & Young's Attractiveness Program Africa, Foreign Direct Investment (FDI) from China to Africa rose sharply in 2016 with a 106% rise in projects, while FDI projects by the US and UK fell 5.2 and 46.8% respectively.<sup>5</sup>

However, social scientists tend to be skeptical, seeing these figures as too high. As economist David Dollar has observed, according to China's Ministry of Commerce (MOFCOM), by the end of 2014, the total amount of Chinese direct investment in Africa was \$32 billion and that amounts to less than 5 percent of the total stock of foreign investment on the continent. America's investment stock is twice as much.<sup>6</sup> The "World Investment Report 2015" would similarly claim China's share of inward direct investment flows to Africa during 2013 and 2014 as only 4.4 percent of the total.<sup>7</sup> Yet, there are other forms of financial intervention besides FDI. The China Development Bank and the Export-Import Bank of China have extended sizeable loans to various African states, making China the source of over one-sixth of the financing for infrastructure construction in Africa. Moreover, according to MOFCOM's list of Chinese companies investing in the continent, Chinese state-owned enterprises are leading the largest FDI initiatives. In addition, there are also hundreds of small and medium-sized Chinese private firms doing business

4. "The closest look yet at Chinese economic engagement in Africa," McKinsey (July 2017) <https://www.mckinsey.com/global-themes/middle-east-and-africa/the-closest-look-yet-at-chinese-economic-engagement-in-africa>

5. Ernest & Young. "EY's Attractiveness Program Africa." Ernest & Young's Attractiveness Program Africa, May 2017, pp. 18–19., [www.ey.com/Publication/vwLUAssets/ey-attractiveness-program-africa-2017-connectivity-redefined-france/\\$FILE/ey-attractiveness-program-africa-2017-connectivity-redefined.pdf](http://www.ey.com/Publication/vwLUAssets/ey-attractiveness-program-africa-2017-connectivity-redefined-france/$FILE/ey-attractiveness-program-africa-2017-connectivity-redefined.pdf).

6. David Dollar, "Setting the record straight on China's engagement in Africa," Brookings (July 2016)

7. World Investment Report 2015: Reforming International Investment Governance. United Nations, 2015. Retrieved from: [http://unctad.org/en/PublicationsLibrary/wir2015\\_en.pdf](http://unctad.org/en/PublicationsLibrary/wir2015_en.pdf)

1. Bräutigam Deborah (2010), *China, Africa and the International Aid Architecture*, Working Papers Series N° 107, African Development Bank, Tunis, Tunisia.

2. For more on China's political activities in Africa, see Alan Hutchison's *China's African Revolution* (London: Hutchinson & Co. 1975).

3. <http://www.focac.org/eng/gylt/tj/t157569.htm>

in Africa. If the large state-owned firms are involved in natural resource extraction, the smaller enterprises are penetrating the service and manufacturing sectors.

China's economic relationship to Africa can be disaggregated. China has surpassed the UK, US and France as Africa's premier trade partner – reaching \$160 billion in 2011.<sup>8</sup> China's role as trade partner is more pronounced than its role as an aid donor, financier or investor. In 2010, for example, Beijing's aid expenditures were around \$2 billion – with forty percent or \$800 million going to Africa – compared to \$1.6 billion from the US. As scholar Deborah Brautigam has observed, China provides different types of official finance than the US and other OECD states, for whom aid grants (often directed towards health projects) are the main form of official finance.<sup>9</sup> Chinese aid, on the other hand, allows more leeway and can be used in a more variegated manner to build infrastructure, for instance. Like the US, China deploys foreign aid and export credits (that is, financial support from Beijing to foreign buyers to help them purchase goods from Chinese exporters). Nonetheless, China also offers African states “mutual benefit loans,” that is large, commercial-rate loans for the construction of public works—railways, power plants, irrigation systems, etc.—with repayment in exports (often of natural resources).

Since the mid-1990s, Beijing has also built centers for trade, investment and development. They start as public–private partnerships and are usually transferred to the host state upon completion. In Benin for instance, Beijing provided 60 percent of the construction cost, a private Chinese company (hired to run the center) put up 40 percent, while the government of Benin provided the land. Each company is given three years to build the center, and three more to manage it, before turning it over to the host government. Chinese agribusiness firms and institutes have also built some agricultural demonstration centers intended for training and knowledge transfer across Africa. Another economic instrument deployed by China is the China–Africa Development Fund (CAD-Fund), launched at the 2006 Beijing summit of FOCAC. The Chinese Development Bank provided a US\$1 billion for this fund intended to jumpstart Sino-African joint

ventures.<sup>10</sup> These “economic cooperation” ventures – as various scholars have noted - go far beyond the parameters “official development assistance” as defined by the OECD.<sup>11</sup>

## Chinese Aid & Governance

A widespread criticism of Chinese economic policy in Africa is that Chinese decision-makers are indifferent to the “governance environment” of African states, doling out assistance unconditionally to dictatorial regimes, thus undermining the (allegedly) democratizing effects of OECD aid.<sup>12</sup>

As with Western states, Beijing is strategic in how it dispenses aid. The research group AidData, based at the College of William and Mary in Virginia, has published robust studies on the effects of different types of Chinese assistance. The research group found that between 2000 and 2014, China gave or lent about \$350bn (not much less than the total of American aid, which was \$424bn in those years.) Yet, whereas all of America's aid was in the form of grants, only a fifth of China's was - while the rest was concessional loans at below-market interest rates. Moreover, the AidData research showed that a doubling of Chinese grant aid corresponded with a 0.4 percent growth in GDP in the receiving countries over two years. Another study looking at nighttime light output found that a 10 percent increase in Chinese development finance corresponded to a 0.6-1.1 percent increase in per capita nighttime light output and a 0.2-0.3 percent rise in GDP. Yet, AidData also underlined that Beijing's concessional lending (mostly to Chinese firms in Africa) did not lead to

10. IDE. “The Role of China's Financial Institutions - China in Africa - AGE (African Growing Enterprises) File - Institute of Developing Economies.” Public Policy and Transformation in South Africa after Democratisation No.33 - Institute of Developing Economies, The Institute of Developing Economies (IDE), 2018, [www.ide.go.jp/English/Data/Africa\\_file/Manualreport/cia\\_11.html](http://www.ide.go.jp/English/Data/Africa_file/Manualreport/cia_11.html).

11. Deborah Brautigam, “Aid ‘With Chinese Characteristics’: Chinese Foreign Aid and Development Finance Meet the OECD-DAC Aid Regime,” *Journal of International Development* (July 2011) The Development Assistance Committee of the OECD defines ODA as “those flows to countries and territories on the DAC List of ODA Recipients and to multilateral institutions which are:

- provided by official agencies, including state and local governments, or by their executive agencies; and
- each transaction of which:
  - a) is administered with the promotion of the economic development and welfare of developing countries as its main objective; and
  - b) is concessional in character and conveys a grant element of at least 25 per cent (calculated at a rate of discount of 10 per cent).” (<http://www.oecd.org/dac/stats/officialdevelopmentassistancedefinitionandcoverage.htm>)

12. Xiaojun Li, “Does Conditionality Still Work? China's Development Assistance and Democracy in Africa,” *Chinese Political Science Review* (February 2017)

8. The World Bank. “China and Africa Share Experience in Development.” World Bank, 21 May 2012, [www.worldbank.org/en/news/feature/2012/05/21/china-africa-share-experience-in-development](http://www.worldbank.org/en/news/feature/2012/05/21/china-africa-share-experience-in-development).

9. Deborah Brautigam, “China in Africa: Think again,” *European Financial Review* (December 2010); Deborah Brautigam “China in Africa Investors, not infesters,” *China Economic Quarterly* (September 2012)

a discernable rise in GDP.<sup>13</sup>

On whether Chinese aid undermines the effectiveness of Western aid initiatives, the AidData researchers found no such effect, thus rebutting the charge that China's non-conditionality approach sets back the OECD's aid projects. However, Beijing's aid policy is altering how OECD states and international institutions dispense assistance. Economist Diego Hernandez has demonstrated that the World Bank attaches fewer conditions to its loans in African states that are also receiving funds from China. He demonstrated that for every percentage-point increase in Chinese aid, countries received 15% fewer conditions from the World Bank.<sup>14</sup>

Scanning 4300 Chinese-funded projects in 140 countries, AidData found that African countries received the lion's share (59%) of projects financed by China between 2010 and 2012. Globally, seven of the top 10 recipients of Chinese official development assistance (ODA) between 2000 and 2014 are in Africa (In the following order: Cuba, Cote d'Ivoire, Ethiopia, Zimbabwe, Cameroon, Nigeria, Tanzania, Cambodia, Sri Lanka, Ghana<sup>15</sup>). Chinese aid does appear to be stimulating growth: a Chinese aid project generates a 0.7 to 1.1-percentage point increase in economic growth two years after its approval. Yet, researchers also note that China does not build its most valued projects on the continent. Beijing's mega-projects – worth over \$1 billion - are more likely to be built in Southeast Asia, the former Soviet Union, and Latin America, rather than in Africa. South Africa was the only African state to be ranked among the top 20 recipients of these mega-projects.

Does Beijing target "pariah states" that the West is trying to isolate? China's official discourse claims that its aid is granted in adherence to the principles of "mutual respect of sovereignty and territory integrity," with "no interference in internal affairs," while "treating each other equally and safeguarding common interests."<sup>16</sup> It is true that Beijing consistently opposes the use of sanctions as a tool to improve governance, or to interventionism to end conflict

seeing such tools as a violation of sovereignty. However, China also has investments in states with varying levels of governance and corruption – low-ranking states in terms of "good governance" indicators like Democratic Republic of Congo, Angola, and Sudan, but also in countries that rank higher. South Africa, after all, is the foremost recipient of Chinese investment. In addition, China is not the only country to do business in Sudan – India and Malaysia are also extracting oil. Hence, claiming that China engages with rogue states while the West refuses would be inaccurate (in fact, in the early 2000s, when the IMF was trying to get Angolan officials to implement various reforms in exchange for debt relief, Chinese banks - as well as European banks – stepped in to extend loans to the IMF's chagrin).

## China & "Resource Security"

Two other oft-heard arguments regarding China and economic development in Africa are that Beijing is gobbling up enormous tracts of land and extracting natural resources – to feed its population back home, while also importing multitudes of workers for resettlement on African land. One World Bank report claimed, "Most Chinese government-funded projects in Sub-Saharan Africa are ultimately aimed at securing a flow of Sub-Saharan Africa's natural resources for export to China."<sup>17</sup> The popular press has also disseminated these stories: CBS News in the US reported "China recently purchased half the farm land under cultivation in the Congo;"<sup>18</sup> and The Atlantic declared that the Chinese government "had set up a \$5 billion fund just to invest in agriculture in Africa."<sup>19</sup>

Deborah Brautigam's book *Will Africa Feed China?* has punctured many of these claims, noting how Western media feed misperceptions about China's involvement in Africa.<sup>20</sup> Based on extensive fieldwork, her study looks at the 60 largest cases of Chinese agricultural investments in Africa reported by media between 1987 and 2014. Media reports claimed that China had acquired more than 6 billion hectares, but Brautigam's research showed these figures to be hyper-inflated and alarmist – and demonstrated that China has "no grand strategy to engage in land-grabbing

13. "Despite its reputation, Chinese aid is quite effective," *The Economist* (October 2017); Bradley Parks et al., "Chinese aid is helping African economies, but not in the places that need it most," *The Washington Post* (October 26 2017)

14. Diego Hernandez, "Are 'New' Donors Challenging World Bank Conditionality?" *World Development* 2017, vol. 96, pp. 529-549

15. Axel Dreher et al, "Aid, China, and Growth: Evidence from a New Global Development Finance Dataset," (October 2017) <http://aiddata.org/publications/aid-china-and-growth-evidence-from-a-new-global-development-finance-dataset>

16. <http://www.focac.org/eng/zxxx/t868809.htm>

17. Deborah Brautigam, *Will Africa Feed China?* (New York, NY: Oxford University Press 2015)

18. CBS. "China's Africa Play." CBS News, CBS Interactive, 18 Jan. 2010, [www.cbsnews.com/news/chinas-africa-play/](http://www.cbsnews.com/news/chinas-africa-play/).

19. Deborah Brautigam, *Will Africa Feed China?* (New York, NY: Oxford University Press 2015)

20. *Ibid.*

and peasant resettlement across Africa; Nor does Beijing have any putative plans to growing rice in Africa to feed its population back in China.<sup>21</sup> Her research revealed that Chinese investors actually acquired no more than 250 thousand hectares. Another widely circulated claim is that the aim of China's agribusiness investments in Africa is to grow food on African soil to feed China's growing population. While this may be a long-term objective, thus far "data show no Chinese imports of rice or wheat from Africa, and only tiny amounts of maize, soybeans, and cassava."<sup>22</sup> Scholars are noting that China is indeed interested in Africa's natural resources, but Chinese investors repeatedly state that the reason they are in Africa is because they face much less economic competition than they do back home. Moreover, those who cast doubt on the idea of "resource security" as the driving force of Chinese foreign economic policy note that, the largest Chinese investment in Africa is not in an oil field or land, but in the Industrial and Commercial Bank of China's 2008 purchase of 20 percent of South Africa's Standard Bank for an estimated \$5.6 billion.<sup>23</sup> China is currently exporting more goods (primarily equipment and machinery, but also consumer goods) to Africa than France, UK or the United States.<sup>24</sup>

Likewise, the claim that Chinese companies import all their workers from back home is not substantiated. There are an estimated one million Chinese workers across the continent at Chinese construction projects and firms, yet the percentage of Chinese laborers varies per country. In states such as Algeria and Angola, where Chinese companies are relatively newcomers, construction booms have led to labor shortages, and Chinese companies have imported at least half the labor force from home. However, in countries where Chinese firms have been engaged for decades – such as Tanzania, Egypt, and Zambia – Chinese companies will draw 80-90 percent of their workforce from the local population. A "localization" policy is preferred

simply because flying in workers from China and providing housing is costly.<sup>25</sup> In addition, as wages and standards rise in China, laborers are demanding higher pay to come work in Africa.

## “Beijing Consensus”

In 2004, economist Joshua Cooper Ramo introduced the phrase “The Beijing Consensus,”<sup>26</sup> when he published an essay stating that China's economic growth – characterized by financial support for the state sector, restrictions on private-sector development, and tight political controls – posed a challenge to the “Washington consensus” that advocated private-sector led development.<sup>27</sup> Beijing is said to be exporting the “China model” of state-driven, authoritarian development to Africa, as an alternative to the neo-liberal, structural adjustment programs put forth by Western governments and IFIs. Analysts point to the cultural diplomacy programs, whereby members of ruling parties, labor unions and ministries are taken from Africa to meet members of the Chinese Communist Party. A recent Brookings study has examined China's “ideological push” especially in Ethiopia, where the ruling EPRDF party is said to have embraced the “Beijing consensus” reproducing China's authoritarian capitalism, tightly managing business and investment, and creating institutions modeled on China's Central Party School and party cadre system.<sup>28</sup> Likewise, in South Africa, analysts have noted that over half the members of the executive committee of the ruling African National Congress have attended such training schools in China.<sup>29</sup>

One feature of the Chinese “developmental state” that has drawn attention is the “Special Economic Zone” (SEZ). In the 1980s, the Chinese government began establishing “Special Economic Zones” in the southern coastal provinces of Guangdong, Xiamen and Hainan, offering special tax incentives for foreign investment, encouraging Sino-foreign ventures, and promoting export-led orientation (the first SEZ was built in 1979 just three

21. Pádraig Carmody, “An Asian-Driven Economic Recovery in Africa? The Zambia Case,” *World Development*, 2009, vol. 37, issue 7, pp. 1197-1207. Yaqing Qin, “Continuity through Change: Background Knowledge and China's International Strategy,” *The Chinese Journal of International Politics* 7 (3): 285–314. (2014)

22. p.157 Brautigam 2015

23. Chen, George. “ICBC to Buy Standard Bank Stake for \$5.6 Billion.” Reuters, Thomson Reuters, 26 Oct. 2007, [www.reuters.com/article/us-standardbank-icbc-acquisition/icbc-to-buy-standard-bank-stake-for-5-6-billion-idUSSHA11075020071026](http://www.reuters.com/article/us-standardbank-icbc-acquisition/icbc-to-buy-standard-bank-stake-for-5-6-billion-idUSSHA11075020071026).

24. Zhang Haibing “China's aid to Africa: oil-oriented or not?,” *World Economic Research* (2007) Regarding “resource security” and Chinese foreign policy, a study of China's relations with Venezuela, Cheng and Shi argue that although many believe oil to be the driving force, it “actually plays a rather limited role.” Joseph Y.S. Cheng and Huangao Shi, “Sino-Venezuelan Relations: Beyond Oil,” *Issues & Studies*, Vol. 44, No. 3 (September 2008)

25. Antoine Kernen & Katy N. Lam, “Workforce Localization among Chinese State-Owned Enterprises (SOEs) in Ghana,” *Journal of Contemporary China*, pp.1053-1072 (May 2014)

26. Ramo, Joshua Cooper. *The Beijing Consensus*. Foreign Policy Centre, 2005.

27. Ibid.

28. <https://www.brookings.edu/blog/africa-in-focus/2016/07/05/political-party-training-chinas-ideological-push-in-africa/>

29. Yasheng Huang, “Debating China's Economic Growth: The Beijing Consensus or The Washington Consensus,” *Academy of Management Executive* (May 2010); Jianbo Luo and Xiaomin Zhang, “China's African Policy and its Soft Power,” *AntePodium: Online Journal of World Affairs* (April 2009)

years after Mao Zedong's death). Shenzhen, once a small fishing town, is today a global manufacturing hub. China's SZEs are home to the telecommunications firms Huawei and ZTE, as well as foreign corporations, including IBM, Siemens, Samsung and Hitachi and are seen as critical to the rapid growth rates that China has registered. In 2004, the Egyptian government asked the Chinese government for assistance in setting up an economic zone in Egypt. In 2006, Chinese Ministry of Commerce declared that it would back the establishment of 50 such zones around the world (with 19 in Africa) as part of helping Chinese companies go global. By the mid-2000s, SEZs were set up in Egypt, Mauritius, Nigeria, Zambia and Ethiopia. Yet, despite government support in helping Chinese firms with research and development, information sharing and the reduction of transaction costs, studies show that the Chinese state rarely intervenes in the day-to-day functioning of the SEZs. By several accounts, Chinese firms are not pushed to move against their long-term commercial interests. From the perspective of the Chinese state, the SEZs in Africa seem aimed at easing economic restructuring in China by allowing for the expansion of large Chinese firms, increasing demand for Chinese-made equipment, and reducing possibilities of conflict by shifting Chinese production to third countries.

## Conclusion

China's influence is growing in Africa. AidData found that African countries that vote in support of Beijing at the United Nations get an average 86% more in Chinese aid.<sup>30</sup> Beijing is launching myriad soft power initiatives as well. Thousands of African students are being granted scholarships to study in China; in 2014, the number of African students studying in China exceeded the number in America or Britain (though not France). Economically, as described, Beijing deploys different tools and policies, which have produced moderately successful results. Chinese companies sometimes bring the substandard labor relations, deficient safety rules, and poor environmental protections used back home, and imports of many goods from China; textiles in particular, have hurt African firms, but Chinese investments have also sparked growth and helped rectify Africa's infrastructure deficiency. Many African officials are very positive about China's economic role in Africa. As Kenyan Ambassador to China Julius Ole Sunkuli told a group of African officials: "competition between donors has had positive consequences for African development"<sup>31</sup> by giving the African countries "options after several decades of a largely Western development model.

Another reason why China's aid is viewed positively is that it is not enmeshed in bureaucracy the way Western aid is. A study by the Economic Strategy Institute observes that the "sheer competence and speed with which China is able to negotiate and execute its development programs" is "an important element of its appeal."<sup>32</sup> In assessing China's economic involvement in Africa, it is critical to note how the actions of African states are shaping that economic engagement. In 2008, then-President of Senegal, Abdoulaye Wade, responded to Western criticism of Chinese aid initiatives in Africa as he stated, "China has helped African nations build infrastructure projects in record time — bridges, roads, schools, hospitals, dams, legislative buildings, stadiums and airports [...] I have found that a contract that would take five years to discuss, negotiate and sign with the World

30. Custer, Samantha. "China's Financial Statecraft: Winning Africa One Yuan at a Time?" AidData - A Research Lab at William & Mary, 22 Mar. 2018, [www.aiddata.org/blog/chinas-financial-statecraft-winning-africa-one-yuan-at-a-time](http://www.aiddata.org/blog/chinas-financial-statecraft-winning-africa-one-yuan-at-a-time).

31. "US Embassy Cables: African Countries Prefer Chinese Aid to US-China Cooperation." The Guardian, Guardian News and Media, 4 Dec. 2010, [www.theguardian.com/world/us-embassy-cables-documents/248299](http://www.theguardian.com/world/us-embassy-cables-documents/248299).

32. Olson, Stephen, and Clyde Prestowitz. 2011. The evolving role of China in international institutions. Report prepared for The U.S.-China Economic and Security Review Commission, Washington, DC: The Economic Strategy Institute.

Bank takes three months when we have dealt with the Chinese authorities.”<sup>33</sup>

In a similar spirit, when European outlets claimed that China was hacking into the African Union’s headquarters, the AU’s spokesperson Ebba Kalondo retorted, “The AU enjoys excellent relations with China and does not base its judgment on [...] allegations made in media reports.”<sup>34</sup> The Sino-African relationship will change in the coming decades as China’s working age population declines, as household income and consumption expenditure rise; labor shortages may lead Chinese manufacturing chains to be moved to lower wage locations.<sup>35</sup> In the meantime, Africa’s demographics show that half the population is under 30 (similar to China’s demographic profile when it first embarked on economic reform three decades ago). China may very well relocate manufacturing to closer Asian countries, but African leaders are already trying to draw more labor-intensive Chinese investments to the continent.

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33. Parks, Bradley, et al. “Chinese Aid Is Helping African Economies, but Not in the Places That Need It Most.” *The Washington Post*, WP Company, 7 Oct. 2016, [www.washingtonpost.com/news/monkey-cage/wp/2016/10/07/is-chinese-aid-powering-economic-growth-in-africa-yes-but-our-data-show-unequal-development/?utm\\_term=.27db7c6f9264](http://www.washingtonpost.com/news/monkey-cage/wp/2016/10/07/is-chinese-aid-powering-economic-growth-in-africa-yes-but-our-data-show-unequal-development/?utm_term=.27db7c6f9264).

34. Adebayo, Bukola, and Tim Schwarz. “China Denies Bugging African Union Headquarters in Ethiopia.” *CNN*, Cable News Network, 2 Feb. 2018, [edition.cnn.com/2018/01/30/africa/china-denies-spying-au-building-intl/index.html](http://edition.cnn.com/2018/01/30/africa/china-denies-spying-au-building-intl/index.html).

35. “China’s demographic divisions are getting deeper,” *The Economist* (September 21 2017); Yuan Yang, “China’s big city populations shrink as caps take effect” (March 24 2018) *The Financial Times*

China’s economic involvement in Africa must also be viewed in light of Asian geo-politics (and not simply as part of a competition with the US). China’s rising profile in Africa has led India and Japan to step up their involvement.<sup>36</sup> India in particular is nervous that the recent opening of a Chinese base in Djibouti (not far from America’s Camp Lemonier base) may be the part of a string of naval bases that Beijing plans to construct from China to Namibia’s Walvis Bay – via the Red Sea. Ironically, it was Japan that started building infrastructure in Africa. Yet, today, its efforts are dwarfed by China’s investments. In 2017, Japan promised \$120 million in aid for counter-terrorism efforts on the continent and recently completed a new cargo terminal in Mombasa, not too far down the Swahili Coast in Bagamoyo, Tanzania where China is building East Africa’s biggest port. African states are building ties with Western and Asian powers and leveraging these alternatives and relationships strategically for their self-interest. This may be the main reason why according to Afrobarometer, polls show that 63% of people in 36 African countries see China as a positive influence on the continent.<sup>37</sup>

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36. “Asia’s scramble for Africa: New rivalries on a contested continent,” *The Economist* (August 2016)

37. Dionne, Kim Yi. “Here’s What Africans Think about China’s Influence in Their Countries.” *Afro Baromètre*, 28 Oct. 2016, [afrobarometer.org/fr/blogs/heres-what-africans-think-about-chinas-influence-their-countries](http://afrobarometer.org/fr/blogs/heres-what-africans-think-about-chinas-influence-their-countries).

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Bradley Parks et al. (October 26 2017), "Chinese aid is helping African economies, but not in the places that need it most," *The Washington Post*.

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