Africa and China's 21st Century Maritime Silk Road アフリカと中国 21世紀の海のシルクロード

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Abstract: This paper considers Africa's place in China's 21st Century Maritime Silk Road. The Maritime Silk Road is a major component of the "Belt and Road" development framework announced by Chinese President Xi Jinping in late 2013. While the People's Republic of China has been actively engaged in Africa since 1960, the Maritime Silk Road promises an intensification of Chinese investment on the continent, especially in infrastructural projects including the construction of railways, airports and deepwater ports. The paper will contextualize these development projects in China's new normal of single-digit growth, and explain that the "Belt and Road" should be seen as one of China's new engines of growth. The paper will conclude with an examination of the question of whether China is engaged in neocolonialism in Africa.

Keywords: China, Africa, Development, Infrastructure, Silk Road

Introduction: Encountering China in Yola

In August 2011 I arrived in Yola, the capital of Nigeria's Adamawa State, to start work as an assistant professor at the American University of Nigeria (AUN). Tiny Yola, which resembles a large village, is very different from Nigeria's cosmopolitan megacity Lagos, and Adamawa State is a region with one of the lowest levels of development in Nigeria. As such I was very surprised when I encountered a plethora of Chinese products in this sleepy corner of Nigeria. Our faculty houses were equipped with DVD players, refrigerators, washing machines, water dispensers, and other consumer electronic products from Chinese multinational firms like Haier and Cway. Apart from these consumer products, Oasis Bakery in our neighborhood was owned and managed by a hardworking expatriate from China who had chosen to settle in Nigeria.

In a seminar I conducted that semester on Chinese investment in Nigeria, one of the Nigerian participants observed that AUN's campus police had purchased Jincheng motorcycles for its security patrols. Another Nigerian participant recounted his visit to the athletes' accommodations constructed by China Civil Engineering Construction Corporation for the 2003 All-Africa Games in the Nigerian capital city Abuja:

I have personally visited this Games Village and in my opinion it is an amazing reflection of the relationship between China and Nigeria. The houses were very well constructed with very nice parking spaces and a neat environment.
The furnishing of the houses was also remarkable as there were adire (local Nigerian fabric) curtains inside. This illustrates the good working relationship between Nigeria and China as the Chinese are sensitive to our preferences.²

These instances of the Chinese presence in Nigeria are part of a vast wave of Chinese investment and economic engagement in Africa, a wave which will intensify under China’s development plans for what it has described as the 21st Century Maritime Silk Road.

The “Belt and Road” and China’s New Normal

In September 2013 Chinese President Xi Jinping announced, during a speech at Nazarbayev University in Astana, Kazakhstan, the strategic vision of the Silk Road Economic Belt, a transcontinental zone of economic development stretching from China across Central Asia and the Middle East to Europe, an area that maps over the ancient trade routes of the Silk Road.³ The following month President Xi announced in a speech to the Indonesian parliament the strategic vision of the 21st Century Maritime Silk Road, a zone of economic development that maps along the key ports and maritime trade routes of the South China Sea and Indian Ocean.⁴ Both strategic visions come together under the "Belt and Road" framework, which offers Chinese funding, expertise, and industrial technology in the implementation of massive infrastructural projects in the geographical areas coming under the Silk Road Economic Belt and 21st Century Maritime Silk Road. These projects, ranging from the construction of airports and railways to the redevelopment of deepwater ports, represent important opportunities for Chinese companies to expand and diversify their businesses by going global.⁵ It is not just these Chinese companies who will benefit from the projects, of course. China’s partner countries can expect to accelerate their economic development thanks to the improvements in their infrastructure, without having to worry about political interference in their internal affairs.⁶ The Chinese government takes a long-term view of the "Belt and Road" projects. As Foreign Minister Wang Yi mentioned in a speech in Nairobi, Kenya in January 2015:

"When Premier Li Keqiang visited the headquarters of African Union last year, Chairperson of African Union Commission Ms. Nkosazana Dlamini Zuma said that African people cherish a dream that one day the capitals of all African countries will be linked by high-speed railways. As a good friend of Africa, China is willing to make efforts to help African friends realize the dream. It is a century project that requires comprehensive planning and gradual advancement."⁷
The "Belt and Road" initiatives come at a key period for China. After enjoying double digit GDP growth in the first decade of the 2000s, China's growth has decelerated to what its leadership has described as a new normal of single digit growth. At the annual meeting of the National People's Congress in March 2015, Premier Li Keqiang announced that the government has lowered the annual growth target to 7%. This contrasts with previous decades when China enjoyed an average growth rate of approximately 10% between 1978 and 2013, with 11.5% between 2003 and 2007. In 2012 and 2013 growth decelerated to 7.7%, ushering in the new normal of medium-to-high growth and development, and triggering the need for the Chinese government to find new engines of growth. The "Belt and Road" framework can be placed in this context as one of China's new engines of growth, offering fresh sources of employment and business opportunities to enable China to achieve what President Xi has highlighted in his political theory of the "Four Comprehensives" as the national goal of a moderately prosperous society. In particular, the employment opportunities created by the "Belt and Road" initiatives will be needed for the 15 million students who are expected to graduate from universities, technical and middle schools and join the workforce in 2015, as well as the 3 million surplus rural labourers who are also expected to join these students on the employment market.

Africa and the 21st Century Maritime Silk Road

The African continent's position on the "Belt and Road" is located at the far west of the 21st Century Maritime Silk Road. Historically, the eastern coast of Africa is remembered as the westernmost stop on Admiral Zheng He's epic 15th century voyages across the Indian Ocean. In 2005 there was great fanfare in the Chinese press when Mwamaka Sharifu, a Kenyan girl who was reportedly the descendant of one of Zheng He's Chinese sailors, received a scholarship from the Chinese government in commemoration of the 600th anniversary of Zheng He's first voyage across the Indian Ocean. The infrastructural projects to be undertaken in Africa under the "Belt and Road" framework include the development of deepwater ports in coastal cities including Bizerte, Tunisia; Dakar, Senegal; Dar es Salaam, Tanzania; Djibouti, Djibouti; Libreville, Gabon; Maputo, Mozambique; and Tema, Ghana. These will be key sites of the transcontinental exchange of manufactured goods and commodities between Asian and African economies along the Maritime Silk Road. These ports are also likely to be developed as industrial hubs, following the model of China's development of the new Cameroonian deepwater port of Kribi. While China Harbor Engineering Company started constructing the new port in June 2011, the development plan also includes the creation of a 260 square kilometer industrial zone, as well as roads and railways connecting Kribi to major cities in Cameroon, projects which will be undertaken by other Chinese companies. In Kenya, China is constructing a railway connecting the capital city Nairobi with the port city of Mombasa. This will eventually be expanded into a regional rail corridor.
connecting Kenya—one of the African gateways to the Maritime Silk Road—with Uganda, Burundi, and South Sudan.\textsuperscript{16}

As the Kribi port development project in Cameroon shows, Chinese firms have been active in Africa long before the 2013 announcement of the 21\textsuperscript{st} Century Maritime Silk Road. According to statistics compiled by the State Council of China in 2013:

China has become Africa’s largest trade partner, and Africa is now China’s second largest overseas construction project contract market and the fourth largest investment destination ... Up to now, China has completed 1,046 projects in Africa, building 2,233 kilometers of railways and 3,530 kilometers of roads, among others, promoting intra-African trade and helping it integrate into the global economy.\textsuperscript{17}

An early infrastructural project was the TanZam railway between Tanzania and Zambia, which was built between October 1970 and June 1975, and involved not just Chinese financing, but also the participation of 50,000 Chinese engineers and laborers, 65 of whom perished during the arduous construction.\textsuperscript{18} The beginning of the engagement of the People’s Republic of China with Africa dates back a decade earlier to 1960, when China provided an interest-free loan of 100 million RMB to Guinea’s newly independent socialist government for the construction of a slate of aid projects including factories, plantations, and paddy fields. Other newly-decolonized African states received similar aid packages from China.\textsuperscript{19} Over the subsequent decades, China’s engagement with Africa changed in tandem with changes in its domestic political economy. The rise of China’s private corporations after the economic liberalization of the 1980s saw a transition from state-owned enterprises to private businesses in the implementation of Chinese development projects overseas.\textsuperscript{20} Recent examples of such projects include China Railway Group’s Light Railway in Addis Ababa, Ethiopia, the first phase of which was recently completed;\textsuperscript{21} China Railway Construction Corporation’s Abuja-Kaduna railway in Nigeria, which was completed in December 2014, and which is the first phase of a larger railway modernization project connecting Lagos with Kano;\textsuperscript{22} and the Lobito-Luau railway in Angola, also built by China Railway Construction Corporation, which will eventually be connected to the Angola-Zambia and the Tanzania-Zambia railways.\textsuperscript{23} Likewise, Chinese engineering firms like China Civil Engineering Construction Corporation, China Airport Construction Group Corporation, and China Harbour Engineering Company are constructing airports across the continent, including airports in Angola, Comoros, Djibouti, Gabon, Kenya, Nigeria, Sudan, Tanzania, and Togo.\textsuperscript{24} Apart from the transportation sector, Chinese companies are also involved in Africa’s energy sector, including hydropower dams in Ethiopia and Uganda;\textsuperscript{25} biogas development in
Guinea, Sudan and Tunisia; and solar and wind power plants in Ethiopia, Morocco, and South Africa. Other economic sectors Chinese companies are actively involved with in Africa include agriculture, construction, healthcare, mining, and industrial manufacturing. A recent count estimates over 2,000 Chinese companies are engaged across almost every country on the African continent.  

To finance these and other projects under the "Belt and Road" framework, China has created a number of key financial institutions. In November 2014, President Xi announced the creation of a 40 billion USD Silk Road Fund. The bulk of its financing will come from the Chinese government, with the remainder from China Investment Corporation, China Development Bank Capital Company, and the Export-Import Bank of China. In July 2014, China and its partners in the so-called BRICS bloc-Brazil, Russia, India, and South Africa-contributed 100 billion USD to establish the New Development Bank, an alternative to the U.S.-dominated World Bank and International Monetary Fund for emerging economies to raise funds for infrastructural development. China also established the Asian Infrastructure Investment Bank in 2014, with other founding members from across Asia, the Middle East, and other countries including New Zealand and the United Kingdom. Like the Silk Road Fund and the New Development Bank, the Asian Infrastructure Investment Bank offers funding for infrastructure projects. China has also created smaller investment vehicles to finance infrastructural and other overseas business projects. The deepwater port development projects listed earlier, for example, will be partly financed by investment vehicles set up by China and Thailand.  

The Neocolonial Question

While China has cancelled the debts of some of its crisis-stricken partner countries, or offered them grants or zero-interest loans to pay for Chinese development projects, most of the loans issued by Chinese financial institutions have to be repaid by the recipient countries. In certain cases, China allows its partners to pay for their development projects by bartering their local products, in particular natural resources. China and a number of African states have had such countertrade arrangements since the 1980s, and since then China has received key primary products including oil, rubber, and minerals as payment for development loans. These deals involving extraction of natural resources have led to accusations that China is engaging in neocolonialism in Africa, as was voiced by U.S. Secretary of State Hillary Clinton during a visit to Zambia in June 2011. Such criticisms have also been voiced by a number of African leaders who are concerned about China's growing economic clout. While popular African perceptions of China's economic engagement remain generally positive across the continent, positive public opinion
concerning the benefits of Chinese investment to their local economies are on the decline. Foreign Minister Wang Yi’s recent announcement that Chinese diplomacy in 2015 will focus on building international cooperation for the “Belt and Road” reflects the government’s sense of urgency, especially given a recent diplomatic setback in Sri Lanka, and India’s continued deferral, arising from old suspicions of what it calls the “string of pearls” geopolitical threat. from accepting China’s invitation to participate in the “Belt and Road.”

The continued acceptance of Chinese investments over the past five and a half decades by African states and their people is an important sign that China’s presence in Africa should be seen as that of a partner in economic development rather than that of an aspiring neocolonial hegemon. In historical context, the criticisms of China’s engagement with Africa in the Western press today echo Western colonial fears in the 1930s of Japan’s growing influence in Africa. A number of African and Western experts have joined the public conversation in critiquing the accusations of neocolonialism voiced by Secretary of State Clinton and others. The Zambian economist Dambisa Moyo, for instance, has pointed out that the empirical evidence of China’s activities in Africa shows that its interests are purely commercial and that it has no interest in undermining the political structure, much less the sovereignty, of its African partners. (The key exception is China’s interest in keeping its partners from offering diplomatic recognition to Taiwan. A country will break relations with Beijing should it recognize Taiwan as “China”; but even in this situation Chinese enterprises in the country have been known to continue functioning despite the loss of diplomatic relations.) The political economist Deborah Brautigam reminds us that China’s swaps of infrastructure for resources with its African partners are based on its positive experience with swapping its own oil for Japanese industrial technology in the late 1970s. The industrial infrastructure and technological training thus received from Japan formed one of the bases for China’s subsequent economic take-off in the 1980s. As such, China sees the similar arrangements it has made with its partner countries in Africa and elsewhere as similarly offering mutual benefits for their economic development.

While China’s overseas investments are certainly open to scrutiny, it is essential to consider these in the context of projects from other countries: it is by no means necessarily true that Chinese projects offer worse outcomes than those from the West. Indeed, when looked at in comparative perspective, it is clear that China’s infrastructural investments in particular fill a development gap in Africa that the West has largely ignored, and that China’s massive imports of African commodities have accelerated African trade and expanded the market for African exports, creating the conditions for the continent’s dramatic recent economic growth. Africa’s recent rapid growth, which mirrors China’s own economic take-off three decades earlier, suggests that, like the Chinese enterprises that came before them, African enterprises, given the right economic conditions, will be able to hold their own against competition from Asia and the West. The implication is that the neocolonial narrative about China’s engagement with Africa is defeatist in its dire prognosis about the ability of African enterprises to compete against Chinese and other multinational corporations in the global market. Consider the case of textiles. While the textile industry in some African economies failed to withstand competition from China and other global competitors, the same industry in other African economies like Kenya’s and Madagascar’s was able to meet the international competition and recover and grow. Indeed, the textile industry is one of the mature industries that the Chinese government has encouraged to move offshore, to allow Chinese industry to move up the value
chain, and Chinese entrepreneurs from the textile and other mature industries have settled and taken up citizenship in African countries like Lesotho, further developing the local economies with their industrial knowledge, and deepening the commercial and technical know-how of their local colleagues and employees.\(^5\)

Such capacity building can accelerate the movement of African industries up the value chain, as was the experience of the mature Chinese enterprises themselves in the 1990s and 2000s. Africa's movement up the industrial value chain can already be seen in the emergence of an indigenous automobile industry.\(^5\)

This shows that, rather than defeatism, optimism is warranted when projecting the probable outcomes of China's continued engagement with Africa.

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